

# The NATIONAL UNDERWRITER

*Life Insurance Edition*



**"I don't know much about billions—  
but I'm sure an authority on dollars!"**

—Most of us live in terms of dollars, rather than millions or billions. And for many a family today, the future holds greater security because of the understandable dollars-for-living which they will receive from The Northwestern Mutual...

FOR over 700,000 good Americans, one of the most comforting thoughts, in these troublesome times, is that the dollars they put with The Northwestern Mutual today will do so much toward providing financial security tomorrow—security for their families and themselves, and for the nation as well.

When you seek to strengthen your financial future and that of your family, consider these facts: *Northwestern Mutual life insurance is low-cost life insurance*—is now and always has been. Succeeding generations of management have consistently achieved this result because they have always clung to this Company's principles of Trusteeship, Simplicity and Economy.

**MORTALITY COSTS HAVE BEEN LOW** because Northwestern Mutual limits its business solely to men and women residing in healthful parts of the United States—to people, engaged in non-hazardous occupations and because every applicant is subject to careful medical examination by Northwestern Mutual's own appointed medical examiners.

**MAINTENANCE COSTS HAVE BEEN LOW** because of an extraordinarily low termination rate. For example, only 3.2% of the Northwestern Mutual's insurance in force on January 1, 1940 was terminated voluntarily by policyholders during that year. This low termination rate has a very favorable effect on the interest of present and future policyholders.

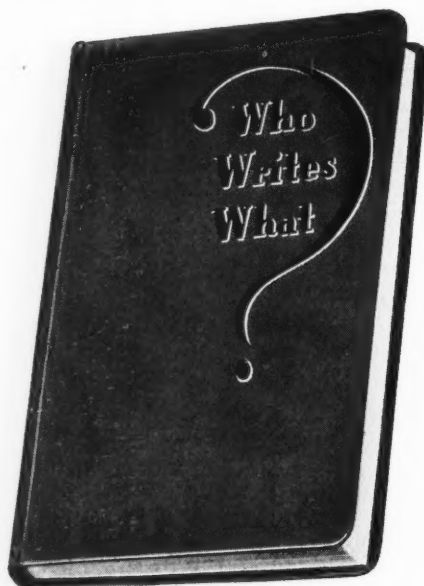
Northwestern Mutual accepts applications only from its own regular agents. One of them will gladly help you arrange a plan carefully adapted to your own security needs. He will explain income payment plans which assure dollars-for-living for yourself, if you live—for your family, if you die.



*We are* **THE NORTHWESTERN MUTUAL**  
LIFE INSURANCE COMPANY  
MILWAUKEE, WIS.

**FRIDAY, JANUARY 2, 1942**

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### Typical Questions Answered by "WHO WRITES WHAT?"

What companies will accept **brokerage cases**?  
 What companies write **men above age 65**?  
 Where can I place that **single premium case**?  
 Who will write **renewable term**?  
 What companies **retain substantial amounts**?  
 Who uses **graded death benefits** on substandard?  
 What companies write **group annuities**?  
 What companies will write retirement annuities  
 for **pension trusts**?  
 Who writes **term for more than 10 years**?  
 Where can I place that **salary savings group**?  
 Who writes **\$10 a month disability income**?  
 Who will take **10 years' premiums in advance**?  
 What companies pay **direct to a minor**?  
 What life companies write **group A. & H.**?  
 Who will cover the **aviation hazard** by extra  
 premium?  
 What companies allow a **beneficiary to elect**  
 more than one **settlement option**?  
 Who writes **deferred survivorship annuities**?  
 What companies make **substandard insurance**  
 available to other than their own agents?  
 What companies will accept **overweights**?  
 What companies permit **application of settle-**  
**ment options to cash values**?  
 Who writes **5 pay life?—5 year endowment**?  
 Who writes a contractual "**spend thrift**" clause?  
 What companies write **hospitalization** on indi-  
 vidual risks?—on **group risks**?  
 Where can I cover that **aviation passenger fly-**  
**ing practically every day**?  
 What companies write **mortgage protection**  
 with **reducing coverage**?  
 Who will write the **combination single premium**  
 and **annuity contract**?

And Many, Many others!

**Don't fret, or swear or "hunt around." Save time  
 and nerves, 'cause now you've found The book with  
 the answers, (all nicely bound). "Who Writes What?"  
 —puts your feet on the ground.**

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How often have you been bothered by questions such as—"where can I place that substandard case?—that single premium case?—what companies write term to 65?—or mortgage protection?—how can I get coverage for that wealthy woman?—what can I do about that salary savings or aviation case?"

Hundreds of questions such as these have long been the bane of many an underwriter's existence. No longer, however, will they be a problem—for the new reference book "Who Writes What?" will give the direct answers to the vast majority of all such questions having to do with surplus business.

## Don't Search! Don't Write! Don't Phone!

Just turn to "Who Writes What?" and there you will find *in one place* all of the companies that will do what you want at the moment. Based upon the many thousands of questions that are put to The National Underwriter's Statistical Division each year, and upon the recommendations of a large group of successful underwriters who have cooperated in a special survey on this subject, "Who Writes What?" promises to be the "bible" of all underwriters having to do with brokerage business.

## Gives You the Answer Instantly

Arranged by questions—not by companies, "Who Writes What?" is prepared on an entirely different basis from any other reference book. If you want to know about insurance on "women" for instance, just open the book to that section. There you find the various questions and the answers, telling you just which companies will do what. If it's 5 pay life, you turn to that heading and there you will find the companies that write this form. There is not only a comprehensive topical index, but all related subjects are carefully cross-indexed so that you can find all the desired points quickly.

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Space prevents full description, but since our advance investigation proves so conclusively how helpful "Who Writes What?" will be, it is offered on ten day approval to any reliable underwriter. May we urge you to be among the first to get this long-needed manual.

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# The NATIONAL UNDERWRITER

Forty-sixth Year—No. 1

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JANUARY 2, 1942

\$3.00 Year, 15 Cents a Copy

## New York Life Makes Numerous Agency Changes

**W. B. Smith, Bruchholz to  
Home Office—Agency  
Director Shifts Made**

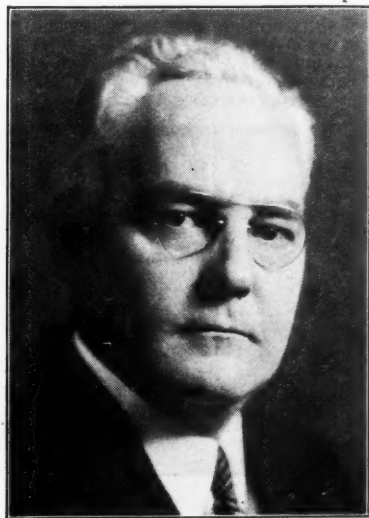
NEW YORK—New York Life is making changes affecting agencies in six of its departments as of Jan. 1. L. B. Dierkes, agency director at Cincinnati for the last 42 years, is retiring. With 54 years of active service behind him, he has served the company longer than any other agency man in the field.

G. E. Skiff, formerly agency director at Grand Rapids, will succeed him. Mr. Skiff joined the company as a clerk in the Detroit branch in 1919 and later became branch cashier. He was appointed agency organizer there in 1925 and in 1928 was sent to Grand Rapids as agency director.

C. M. Rogers will succeed Mr. Skiff at Grand Rapids. He joined the company as a clerk in Tacoma in 1923. He went to the Oakland branch as an agent in 1936 and in 1938 became agency organizer in Detroit. A year ago he was transferred to Cincinnati as organizer.

M. A. Grove, formerly agency organizer in Akron, has been appointed director of the newly opened Dayton branch office at 120 West Second street. Starting as a clerk in the Cleveland branch in 1930, he became an agent there in 1937 and later the same year was appointed organizer. In 1940 he went to Akron as an organizer. The new Dayton branch will handle both old and new business. Its territory will include 11 counties in western Ohio.

J. Frank Burke, formerly supervisor  
(CONTINUED ON PAGE 23)



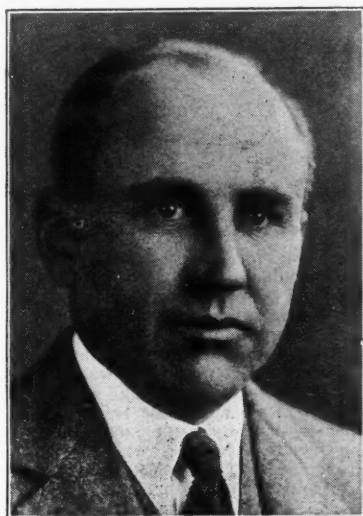
FREDERICK BRUCHHOLZ

## Holcombe Bureau Head 20 Years

**Milestone in Distinguished Career of  
Leadership**

On Jan. 2 coincident with 20th anniversary of the founding of the Sales Research Bureau, John Marshall Holcombe, Jr., completed 20 years as its active head.

At the bureau's annual meeting in Toronto, Nov. 3-5, these anniversaries



J. M. HOLCOMBE, JR.

were anticipated when H. G. Kenagy of Mutual Benefit in an address reviewing the distribution aspects of the last two decades included many references to the part that the bureau had played in improving life insurance sales management and selling.

Later in the meeting Vincent B. Coffin, then chairman of the bureau's executive committee, asked Mr. Holcombe to come forward and said on behalf of the committee: "On the second day of next January our friend will celebrate his 20th anniversary as manager of the bureau. During these 20 years he has brought to our business not only a breadth of vision, not only a real leadership, not only a brilliant mind for the problems which confront all of us, but to us individually and collectively a warm and healthful friendship over those years."

Mr. Holcombe was born in Hartford where he was graduated from the local high school. He then attended Yale College, graduating in 1911, and secured his LL.B. at the Harvard Law School in 1914.

### Seven Years with Phoenix

From 1914 to 1921 he was connected with Phoenix Mutual, first in legal work and later in the agency department in charge of the research division, with the exception of the time that he served during the war as a captain in the air service, U. S. army. In 1918 he served in France, with Frank L. Jones, vice-

## Seek Definition of "Act of War"

**A. & H. Companies Consider Referring All Borderline Cases to Home Offices**

NEW YORK—Because of the difficulty of setting up an accurate definition of war exclusions that would not exclude either too much or too little, a good many members of the Bureau of Personal Accident & Health Underwriters favor the procedure of having all claims involving the war exclusion referred to the home office rather than being passed upon in the field.

The war clause excludes "war or act of war." While the companies have a definite idea of the type of claims that would properly be excluded, it is extremely difficult to reduce it to a usable formula which will neither lay the companies open to many claims that should be excluded nor give the public the idea that the companies are seeking to duck liability for many types of claims which they are perfectly willing to pay. By handling all claims involving the war exclusion at the home office, a company can at least be consistent country-wide.

### Meaning of "Act of War"

The question is: How far does the term "act of war" go? For example, inquiries have come in as to whether it would exclude from coverage workers in munitions plants, Red Cross workers, or truckmen transporting parts to be used in warplanes. Companies would not consider any of these types of work as constituting an "act of war." But there are bound to be many cases where it will not be so easy to say whether the exclusion applies or not.

### Unlike Life Exclusion

Accident companies face a much different problem from that of life companies in applying the war exclusion, for no life company excludes claims from war deaths among civilians except under the foreign residence and travel restriction. Since the accident policy war exclusion applies to every policyholder an endless variety of claims calling for interpretation of the term "act of war" can arise.

At last week's meeting in Hartford of the underwriting committee of the bureau it was felt that further study was necessary on what should and should not be excluded. The clause itself, however, is regarded as entirely satisfactory and there is no thought of changing it. No date was set for the next meeting of the underwriting committee but it is expected that a meeting will be called in the near future.

president of Equitable Society, teaching life insurance to the A. E. F. in the Overseas Life Insurance School. Upon the termination he was with Herbert Hoover's American Relief Administration in Vienna.

In 1922, he became business manager of the Research Bureau, then a part of the Bureau of Personnel Research at Carnegie Institute of Technology at Pittsburgh. In 1923, the Sales Research

(CONTINUED ON PAGE 18)

## Insurance Teachers Hold Valuable Gathering in N. Y.

**E. L. Bowers New  
President—Act on Associate Member Issue**

NEW YORK—E. L. Bowers, Ohio State University, was elected president of the American Association of University Teachers of Insurance at its annual meeting here this week. Other officers are Frank G. Dickinson, University of Illinois, vice-president; C. A. Kline, University of Pennsylvania, secretary-treasurer; and H. J. Loman, University of Pennsylvania, member of the executive committee to fill the term expiring this year.

Professor Bowers is the first middle westerner to head the association. Previous presidents have been drawn from eastern seaboard universities with the exception of Robert Riegel of the University of Buffalo.

There was considerable discussion at the business meeting of the qualifications for associate membership. The feeling was that associate membership should be limited to those who are actually engaged in educational work and not merely interested in insurance education or serving on committees passing on educational work done by others.

### McCahan Explains Stand

David McCahan, University of Pennsylvania, the retiring president, said that at an executive meeting earlier in the day it was decided that any candidate for associate membership should be sponsored by an active member who would be responsible for supplying enough information to guide the membership and executive committees as to his qualifications. No information would be given the prospective associate member until he had been passed upon and possible embarrassment would thus be avoided.

Invitations to become associate members were extended to Frank L. Jones, vice-president of Equitable Society because of his work in connection with the Huebner Foundation; to George W. Scott, educational director of the National Association of Insurance Agents; and A. C. Goerlich, educational director of the Insurance Society of New York. The association has 25 associate members.

### Important Reports Made

It was decided to appoint a committee to look into the advisability of supporting the work of the insurance section of the Special Libraries Association in reviewing new insurance books. Digests of these reviews have thus far been furnished the association by the American Mutual Alliance.

The association accepted the reports  
(CONTINUED ON PAGE 18)

# Record Gains Stand Out in Review of Year's Outstanding Developments

By CLARENCE C. KLOCKSIN  
Legislative Counsel, Northwestern  
Mutual Life

At peace or in war, American life insurance has responded to the demands of the hour. Its extraordinary adaptability is seen once more. Having contributed in a large measure to the economic security of the people, life insurance now helps sustain their national defense.

It is by no coincidence that in the great emergency now confronting the nation, a considerable share of the people's income flows into the reservoirs of life insurance companies for their future security, and the funds so deposited begin immediately to filter into the vast channels of the war effort. It is by precedent and tradition that life insurance and the security and defense of America go hand in hand.

## Record Gains Established

In doing their part to make the people secure, life insurance field men wrote an immense volume of business in 1941. Final figures have not been compiled, but a reasonable estimate places the total in excess of \$13,000,000,000. A 10 percent increase for the first six months was followed by a momentum in sales that grew month by month, finally climaxed by perhaps the largest December writings in the history of the business.

Total life insurance in force at the end of the year will exceed \$124,000,000,000, a net increase over last year of more than \$6,000,000,000. Total assets climbed to approximately \$32,550,000,000. In both departments, the figures represent all-time highs. Payments to policyholders and beneficiaries kept pace with practically all other accounts. The aggregate of such disbursements reached approximately \$2,550,000,000.

## Low Interest Yield Continues

Although the past year was rich in major achievements, the long drought in interest earnings continued. There is not much optimism about more satisfactory yields in the general securities markets. However, the vast capital requirements of the war program will provide a mighty demand for funds.

In the depression of the early '30s, the loss of surplus, due to depreciation in asset values, was restored in part by excess interest earnings. As such excess earnings have grown thinner, the ability of the companies to withstand a similar depreciation in assets may be adversely affected.

Concerned by the low interest earnings, company actuaries sought relief in a number of ways. Annuity premium rates were generally increased, and for the first time the assumed interest rate

on policy reserves, effective on new business, fell below 3 percent. A number of the participating companies met the problem by decreasing their dividend schedules.

The National Association of Insurance Commissioners held two industrious sessions during the year.

At a hearing Dec. 6 by the special subcommittee of the commissioners on the proposed model nonforfeiture provisions, it was found that the companies' committee recommendations were in agreement with the Guertin report on fundamentals. Both the companies' and the Guertin committee's proposals would slightly increase nonforfeiture benefits and reserve liabilities. There was some difference in the respective conclusions as to surrender dividends, and several minor simplifications in the model provisions were suggested. Full accord on the model bill is looked for in the near future, after which it will be presented to the state legislatures for adoption.

A proposal for a uniform bill to standardize and strengthen the regulation and examination of companies was submitted to a subcommittee of the examinations committee by Commissioner McCormack of Tennessee. It would limit the personnel of insurance departments to full-time, qualified employees. Examiners would be graded as junior and senior according to their experience and ability. Insurance commissioners would be appointed for an eight-year term. Fees would be assessed against the companies for the sole purpose of maintaining the insurance department, and the amount thereof would be deducted from any premium or other tax due the state. Domestic companies would be examined annually, and convention examination of companies would be held every three years. The subcommittee was authorized to continue its study and report at the June meeting.

## Warns Against High Fees

Appearing on the program of the commissioners' meeting in New York, Commissioner Holmes of Montana leveled a blast against the high cost of company examinations, caused principally by high examiners' fees and expenses. The Montana official warned his colleagues that arbitrary practices and abuses must be eliminated from company examinations.

The formula for valuation of securities, other than real estate, adopted at the Detroit meeting in June was revised at New York in several respects. The principal change concerned bonds not entitled to amortization, and stocks. The market value of such stocks and bonds as of Dec. 1, 1941 (instead of Dec. 31) is to apply for annual statement purposes.

All state legislatures, except a handful, met in regular session last January.

The volume of adverse bills was heavy. As has been customary, a large number of them originated in misunderstanding, and were disposed of by the simple method of explanation.

## Major Blow Dealt in Oklahoma

The major blow of the year was dealt in Oklahoma, where the premium tax

by assessments by such corporation upon the domestic life companies, in proportion to their admitted assets.

The 1941 revenue act carried the heaviest exactions on individuals and corporations in history and became law in September. Several methods of taxing insurance companies were considered by the joint committee on internal revenue, but no heavy assessment was levied. It is assumed that taxes on insurance companies will be proposed in the bill to be introduced into the next session of Congress.

Although the treasury had recommended a reduction in the exemption of life insurance death proceeds payable to a named beneficiary from \$40,000 to \$25,000, Congress made no change in the present law in this respect. Likewise, not adopted was a suggestion by the National Association of Life Underwriters to clarify Section 811 (g) of the revenue act, which provides for the taxation of insurance proceeds under the estate tax; nor did Congress approve a proposal of the said association for a specific exemption of \$250,000 of life insurance proceeds from the estate tax where such proceeds are earmarked for the payment of death taxes. Without doubt, further effort will be made by the National association to secure the adoption of these amendments.

Underwriters must not overlook probable suggestions by the federal tax officials to amend Section 165 of the revenue act, which now provides for certain tax exemption and deduction privileges in the case of employees' pension trusts. Obviously, there is danger that the amendments to be offered by the tax officials will be severe.

## Social Security Act Proposals

There has been some confusion as to the program in Congress for amendments to the social security act. Late in the year, the social security board proposed recommendations covering under the act agricultural labor, domestic servants, certain self-employed persons, and salesmen, including insurance agents, on commission. The board also intimated some liberalization would be proposed in the pensions now provided but did not specify its conclusions in this respect.

The Treasury Department has proposed a 15 percent social security payroll tax, with a statement that its purpose is to syphon off increased salary and wage income in order to remove it from purchasing channels. Up to the present time, neither the social security board's recommendations nor the Treasury's proposals have been submitted to Congress. They are being awaited with great interest.

There was some relief when the Temporary National Economic Committee

(CONTINUED ON PAGE 16)



CLARENCE C. KLOCKSIN

rate on foreign insurance companies was doubled, from 2 to 4 percent. An unusual set of circumstances contributed to the adoption of this high rate, and efforts are under way to undo this injustice when the legislature meets again.

Maryland's tax rate was increased from 1½ to 2 percent, and in Texas the sliding scale applicable to foreign companies, dependent upon their investment in Texas securities, was increased to range from 3.1 to 4.65 percent, instead of from 2.5 to 3.75 percent.

## Connecticut Adopts Bank Plan

While savings bank bills were introduced in seven states, only Connecticut joined Massachusetts and New York in authorizing the establishment of life insurance departments in such banks.

Perhaps the most interesting bill enacted in 1941 was the New York "life insurance guaranty corporation" statute, comprising representatives of all domestic life companies. The objective of the corporation is to guarantee the performance of policies and contracts issued by impaired or insolvent domestic companies. The funds necessary for the administration, as well as the operation, of the guaranty corporation are to be raised



GLIMPSES AT CONVENTION OF INSURANCE COMMISSIONERS:

Commissioner Gontrom of Maryland, Superintendent Jordan of District of Columbia, Deputy Commissioner Morin of Rhode Island; Commissioner Julian of Alabama,



R. E. Tolbert, general counsel Zurich, New York; Superintendent Pink of New York (inset) and J. H. Doyle, National Board of Fire Underwriters.





## Insurance Has Big Part in Financing War Effort

### Metropolitan Research Man Tells Contribution at Joint N. Y. Conference

NEW YORK—Life company purchases of government bonds, even on the accelerated scale necessitated by the war, do not adequately measure the companies' contribution to the war effort, for the purchase of industrial issues, public utility bonds, housing finance and the like may be as important to war effort and morale as buying government securities, Dr. Corliss L. Parry, research associate Metropolitan Life, told the session on capital flow and the insurance industry at the annual joint meeting of the American Finance Association and the American Association of University Teachers of Insurance.

Dr. Parry pointed out that the present war, because of its magnitude, the speed with which it has expanded and the very great degree of mechanization, necessarily involves demand for capital far greater than in earlier conflicts. Therefore, even the most optimistic estimates as to the amount of capital that can be supplied to our government for war financing by all the formal saving institutions of the nation are bound to appear fairly modest in relation to the total nearby needs.

#### Greater Demand for Capital

An offsetting factor is the fact that the Treasury has available certain sources of income, notably from social security taxes, which were not present in the first world war. Furthermore, because of the intense industrial effort needed to produce the present day war machines, demands for capital from private industry must be taken account of.

Life company capacity to participate further in war financing is substantial, Dr. Parry indicated by statistics and charts. That insurance men have been alive to their responsibilities is shown by increase in holdings of government bonds since the outbreak of war in Europe, he said. Since that time American life insurance has invested some \$4,500,000,000 net, exclusive of renewals and refundings, to strengthen and build up the national economy.

Of this about \$1,600,000,000 flowed into U. S. Treasury issues, another \$1,300,000,000 public utility securities, about \$500,000,000 went to strengthen the nation's industrial plant, while mortgages on homes, farms, and other housing and commercial structures absorbed nearly \$700,000,000.

#### Helped Strengthen Nation

During the same period fire and casualty companies invested another \$500,000,000, of which perhaps one-half flowed into U. S. Treasury issues. All this new investment flow of about \$5,000,000,000 from the combined fire, life, and casualty companies furnished direct support toward building a strong America, Dr. Parry emphasized.

Regarding the capacity of life companies to participate in war financing, Dr. Parry mentioned also some limiting factors, notably the fact that the insurance business in all principal countries—both Allied and Axis—entered the war as much heavier holders of government securities than at the start of the first world war. This was particularly true of the French and the American companies, where the 1939 ratio of central

(CONTINUED ON PAGE 16)

## Kenneth Field Gives Views on Common Stock Issue

NEW YORK — The opinion was vouchsafed by Kenneth Field, head of the department of economics of Carnegie Institute of Technology, that there is no real reason why the life insurance companies should not be permitted to purchase common stocks. It is the imposition of proper safeguards that is important, he declared. He addressed the joint meeting of the American Association of University Teachers of Insurance and of the American Finance Association here.

Several of the most important insurance states, including New York, Iowa, Ohio, and Wisconsin, absolutely prohibit the purchase of common stock. Hence, important states must change their laws before many of the largest and most influential life companies can invest in common stock.

The problem is one of balanced legislation, he declared. Undoubtedly the company should have considerable latitude in investing in common stock. No investment policy can have maximum strength unless it is free to select all types of securities. However, it is one thing to have the power and it is another thing to exercise it. Most insurance companies may well be entrusted with discretion to invest in common stock but there will always be some companies that require a check rein. The substantial problems connected with common stock investments lie principally in the field of discretionary action, he said.

Successful investment requires successful prevision of the future—the future not of a single factor, but that of a myriad of factors—economic, political, legal, etc.

From there Mr. Field went on to discuss certain problems connected with public utility, railroad and industrial

stocks. As far as utilities are concerned he pointed out that the earnings outlook, as affected by public regulation, is not good. There is likely to be smaller net income for stockholders and the whole decrease in net will fall upon the common stockholder. Moreover the SEC is pursuing policies that are modifying and impairing the contractual rights of common stockholders and in a growing number of cases it has attempted to strengthen property-debt ratios by requiring modifications of indentures and by restricting dividends. When the SEC requires the strengthening of debt and preferred stock ratios for the benefit of securities already outstanding, it is taking away rights which the common stockholder has paid for and is delivering them to bondholders and preferred stockholders. These SEC manipulations tend to improve the attractiveness of senior securities. The preferred stockholder tends to gain most by the types of restriction because most such stock is callable only at a very high premium which makes refinancing very costly.

The speaker went into the question of the death sentence section of the public utilities act. He said that the dismemberment process may provide opportunities in which common stocks of strong subsidiaries will be disposed of to the public. The liquidation will tend to depress prices but it may afford buying opportunities, he said. The commission seems to be striving to subordinate debt instruments held by holding companies, to the bonds and preferred stock held by the public.

So far as railroad common stocks are concerned, he said the situation is becoming one of an endless chain of cumulative deterioration. The Interstate

(CONTINUED ON PAGE 19)

## Tax Interpretation Vital to Companies Is Secured

### U. S. Revenue Commissioner Clears Question Over Liens and Claims

A tax interpretation of great importance to all types of insurance companies was rendered by Commissioner Guy T. Helvering of the internal revenue bureau which relieves companies from the liability that previously seemed to be imposed on them if they made claim payments to claimants or beneficiaries against whom federal lien for tax had been ordered.

The companies have been fearful for some time that under section 3672 of the amended internal revenue code, even though they were third parties in any controversy between the government and individuals over federal tax, the government would interpret any claim payment to an assured against whom a lien existed to be income that should be applied in reduction of the lien.

#### Fearful Unrecorded Liens

The statute requires the government to file notice, or record, of the lien. The company attorneys felt if their companies could be held liable to the government for the amount of the lien if they paid claims to claimants against whom liens that been recorded, such liability, if it existed, also would apply to unrecorded liens, since the insurance companies do not come within the exceptions prescribed in section 3672. This would mean that they might later be forced by the government to pay in reducing the lien as much as they had paid in claim to the claimant.

There have been no published rulings specifically on this question. However, Oct. 6, 1941, there was a ruling by Acting Commissioner N. D. Cann made to the collector at Hartford, in the D. W. estate relating to a life insurance or accident policy settlement to a beneficiary with a lien. Cann ruled the insurance company incurred no liability if a money settlement were made, whether the notice of lien was filed or not, if the company was without actual notice or knowledge thereof. But he said the bureau was not prepared to rule there would be no liability if the insurance company had actual knowledge of existence of the federal lien.

#### Makes Important Concession

In the latest ruling by Commissioner Helvering, himself, an important additional concession was made relating to all companies to the effect they would not be required to take affirmative steps to find out if there was a federal lien in existence. This means that if they should learn there was a lien they would govern themselves accordingly, bearing in mind the D. W. estate ruling, but they are not required to do anything concrete in each case to find out if there is a lien.

The commissioner wrote to Lord, Bissell & Kadyk of Chicago who secured the interpretation:

"It is the opinion of this office, however, that an insurance company will not incur liability to the federal government making money settlements with claimants against whom a federal tax lien is outstanding if the insurance company is without actual notice or knowledge of the existence of such lien (as distinguished from constructive notice or notice of such lien if filed in accordance with the provision of section 3672 of the internal revenue code). It follows also that in the opin-

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## "Not Yet"

In June of 1940 a young man aged 22 accepted \$1,000 of Ordinary Life protection, with his mother as beneficiary. A year later he moved to another city to work in a defense industry at a better wage, and was approached by a second underwriter to whom the first had suggested that the young man, now receiving higher pay, should be building up additional life insurance protection. He pleaded inability to afford the premium for the additional proposal, and when followed up two months later, said "not yet."

Two weeks later the policyholder was one of six men from the plant riding home in an automobile after work in a night shift. The five passengers were napping as they rode, and unfortunately the driver was drowsy, when a turn in the road threw the car off to strike a telegraph pole. Three of the men in the car were seriously injured, and three were killed. The policyholder was one of the three who lost their lives.

In recent months many thousands of men throughout the country have greatly increased their incomes by reason of increased opportunities in the defense industries. Because of the experience of several years of depression, industrial workers today are found to be anything but careless in their spending of the higher wages. Like many another, this young man was willing to consider investment in life insurance protection.

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### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Soldiers Get New Chance to Buy U. S. Insurance

WASHINGTON — Army selectees who failed to take advantage of the privilege of securing government insurance policies within the periods set by law will be given another 120 days to do so under an amendment to the national service life insurance act contained in the draft bill signed by President Roosevelt.

The action of Congress in twice extending the period during which policies could be secured without medical examination indicates that the selectees on the whole had failed to avail themselves of the insurance privilege to the extent estimated by army officials.

When the selective service act was passed it was followed by enactment of the insurance law, giving men in the service, both selectees and enlisted men, 120 days in which to apply for insurance.

### Amended in August

When the selective service statute was amended last August to keep the men in the army longer, it was thought that many of those who had not cared to take out policies when in for only one year might wish to do so when serving for a longer period, and another 120 days was given.

With the enactment of the draft law, which will keep selectees in the army for the duration of the war, another 120 days was granted in the belief that many who had not theretofore been interested would want to take out insurance when confronted with the dangers of actual fighting.

The draft law also carried a provision granting automatic insurance of \$5,000 to men so far killed in Hawaii, the Philippines or in the sinking of two American destroyers.

A third amendment provides that even after the expiration of the 120-day period, men in the army may secure insurance but will have to take a medical examination.

### Idea of Free Insurance

It is expected in Washington that these changes will constitute all the amendments which will be made in the insurance act, which is a permanent measure, although there have been suggestions at the capitol that legislation be passed giving men in the army free insurance.

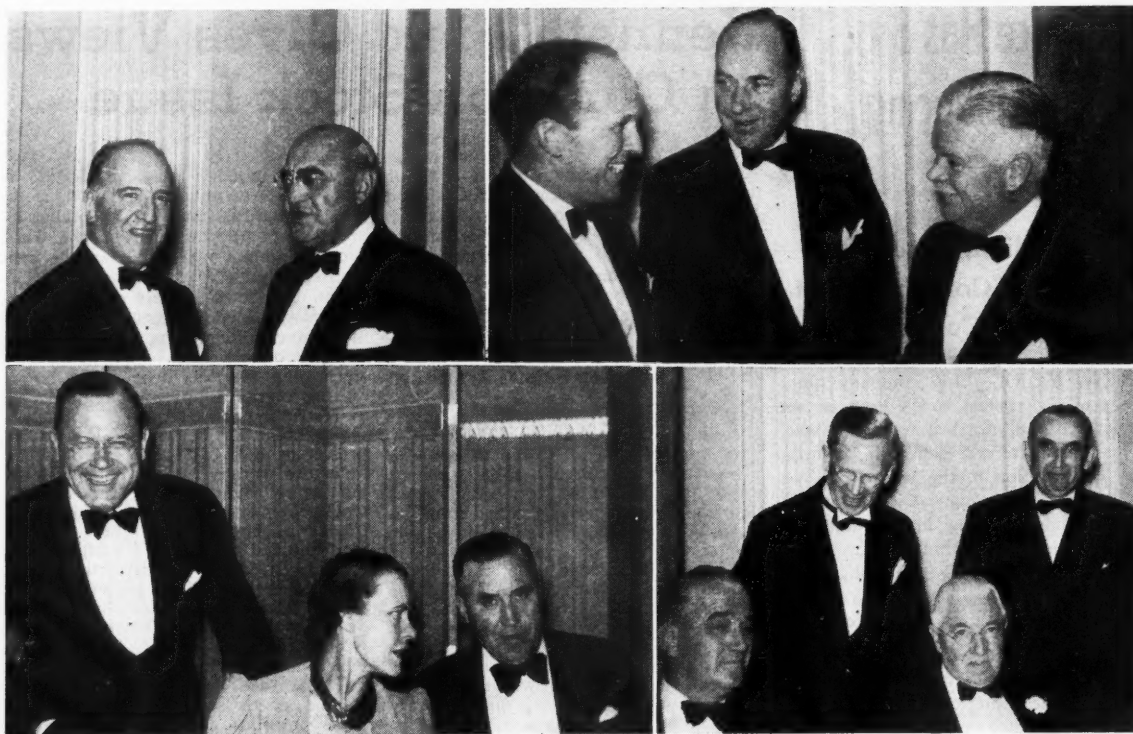
The free insurance proposal does not meet with administration approval, since the original insurance act passed during the first world war was designed to eliminate much of the pension drain which had been experienced after previous wars.

The United States Maritime Commission announced that members of American Flag merchant ships crews have been protected by a \$5,000 war risk life insurance policy since Dec. 22. They stated that the announcement was being made so that members of these crews would be certain of life insurance coverage pending further consideration and decision by the maritime war emergency board.

## Actuarial Firm Is Changing Its Name

The firm of S. H. & Lee J. Wolfe, consulting actuaries, auditors and accountants, 116 John street, New York, announces that its title is changed to Wolfe, Corcoran & Linder. No change in the membership of the firm is involved.

The business was founded by the late Gen. S. H. Wolfe in 1897. In 1903 Lee J. Wolfe became associated with his brother. In 1928, following the death of General Wolfe, W. M. Corcoran became associated with the firm. In 1932 Joseph Linder also became associated with the office.



AT DINNER IN NEW YORK HONORING JULIAN MYRICK:

Top—W. J. Graham, vice-president Equitable Society, E. W. Allen, general agent New England Mutual, New York City, toastmaster; Osborne Bethea, general agent Penn Mutual Life; Walter Barton, president of Charles B. Knight agency of Union Central Life, and J. M. Fraser, general agent Connecticut Mutual, all of New York City.

Below—James A. McLain, president Guardian Life of New York; Beatrice Jones, Equitable Society, president New York City Life Underwriters Association; Harry Gardiner, general agent John Hancock Mutual, who presented to Mr. Myrick the silver punch bowl and goblets, the gift of the 13 sponsoring organizations; (seated) Alexander E. Patterson, vice-president Mutual Life, who pinch-hit for President Lewis W. Douglas when Mr. Douglas was called away by defense work; Julian S. Myrick, second vice-president of Mutual Life, the guest of honor; (standing) K. A. Luther, general agent Aetna Life, New York City, and C. D. Connell, general agent Provident Mutual, New York City, both of whom eulogized Mr. Myrick's service to life insurance.

## Tax Interpretation Vital to Companies

(CONT'D FROM PRECEDING PAGE)

ion of this office an insurance company, generally speaking, is not required, for the purposes outlined in your letter, to take affirmative steps to ascertain whether a federal tax lien exists against any of its clients."

### Position Companies Took

The companies all along have held that the relationship between an insurance company and its policyholders and beneficiaries is not that of creditor and debtor and therefore the companies would not be liable for any obligations of the policyholders or beneficiaries.

Lord, Bissell & Kadyk in correspondence with the internal revenue bureau explained they had advised all their clients the only liability possible under the circumstances is that imposed by section 3710 of the code which is specifically confined to persons "in possession of property, or rights to property, subject to distraint, upon which a levy has been made." This liability, the firm said, is confined to cases in which levy has been made and notice thereof given to the person in possession of the property of the taxpayer.

The legal firm stated any such liability, if it existed, would seriously impede the payment of claims and necessitate in a city the size of Chicago the employment of additional personnel constantly to examine records of the U. S. clerk and county recorder.

### Relief Proposal in Code

It is said the proposed new internal revenue administrative code now being considered by the department incorporates a provision that no liability shall attach to a debtor who discharges a debt or other obligation without actual notice that it is subject to a lien imposed by

## Mich. Insurance Interests Unite in War Effort

Under the title "Affiliated Insurance Interests of Michigan" with W. G. Curtis, president of National Casualty, as chairman, a program is under way to enlist all persons engaged in the insurance business in the state. The objective is to coordinate the plans and efforts of the 35,000 insurance people in Michigan in support of all approved national, state and municipal activities relating to war. The members pledge themselves to give their time, energy and resources in civilian war effort. The first activities are in connection with the Red Cross drive and the defense bond and stamp program.

### N. J. Bar's Insurance Parley

The insurance section of the New Jersey State Bar Association will hold a symposium the afternoon of Jan. 9 preceded by a luncheon at the Newark Athletic Club. "War Time Industrial Problems in Workmen's Compensation Coverage" will be discussed, led by Joseph C. Paul. Lionel P. Kristeller is chairman and Samuel M. Hollander secretary of the section. Insurance men will be invited as guests to participate and give their views.

any internal revenue law. The explanation given is that the exigencies of modern business practices demand that a debtor should not be required to examine the public records before paying his debt, in order to protect himself against liability.

The correspondence in this case, which arose when an eastern casualty company asked Lord, Bissell & Kadyk to examine the records carefully for federal liens in all claims involving \$500 or more, has been watched intently by high company officials throughout the country. Negotiations were carried out for Lord, Bissell & Kadyk by L. Duncan Lloyd.

## Union Central Goes to 40 Hour Week; Raises Pay

The work week at Union Central Life beginning Jan. 5 will be increased to 40 hours and salaries under \$3,000 will be increased proportionately. Home office employees have been working 35 hours a week. President Cox expresses the belief that this will enable the company to absorb the extra work due to the loss of men who have been inducted into the service and will also enable employees in the lower income brackets to get along better.

## Continental Assurance to Invest in U. S. Bonds

As its contribution to the national defense program Continental Assurance is investing not less than 75 percent of its increase in its invested assets during 1942 in U. S. government obligations. "Although the executive committee understands that these instructions will involve a considerable sacrifice of interest earnings," W. E. White, vice-president, stated in explaining the action, "it believes that it is the responsibility of the company to support the government in every conceivable manner in this emergency."

## Sells 25 "Apps" in 25 Days at 25-year Mark

L. J. Menton in a period of 25 days sold 25 policies in celebration of his 25th anniversary as an agent of Aetna Life at Little Rock. He was honored by members of the agency at a dinner at the residence of Foster Vineyard, associate general agent. He was presented a bronze plaque. During his 25 years his average sales have been \$250,000 annually. He has qualified for each of the 14 regionaire conventions of Aetna Life that have been held. He is one of the oldest members of the Little Rock Life Underwriters Association.



## Predict 1942 Sales Gains in Canada

### Low Terminations Result in Substantial in Force Increases

TORONTO—Life insurance business in Canada will continue its expansion in 1942, in the opinion of leading Canadian executives.

V. R. Smith, general manager Confederation Life, predicts 1942 should be even better for life insurance than 1941. During 1941 a distinct change in the trend of the business occurred, he said. Sales of new insurance increased and terminations decreased so that the increase of business in force will probably be the best in 10 years, following closely the pattern of the last war. Insurance dollars are an important cog in war economy. One-seventh of the last victory loan came from life insurance sources and it is expected life insurance dollars will form a substantial part of the forthcoming loan in February. Business in Britain, in spite of the restrictions of war clauses, shows an unexpected and substantial increase, both in sales and business in force.

#### Mitchell Reports Increase

A. N. Mitchell, president Canada Life, reports sales are following the same pattern as in the first years of the last war. If history continues to repeat itself, a further increase in new business during 1942 can be anticipated. "The terrific pace of these times makes it difficult to forecast with any assurance of accuracy just what a month, far less a year, will bring forth. Higher taxes make life insurance increasingly the only effective way in which the average man can provide future financial security. Public acceptance of the business appears to be on a high level."

#### Mortality Experience Good

Arthur B. Wood, president and managing director Sun Life of Canada, in considering the effect of hostilities on mortality experience, pointed out that with the increasing number of countries involved, it is not possible to give a precise indication of the probable experience during the coming year but it is likely that the trend of the last 12 months will be maintained. Actually Canadian mortality experience has undergone little change from normal and even the experience in Great Britain during the war period proved to vary only about 10 percent from normal. Little more than 2 percent of the Sun Life's total claims during the first two years of the war were attributed directly or indirectly to war conditions. Mortality experience in the U. S. was less favorable than that of Great Britain during 1940.

#### Buffalo Life Sales Show Record Total in December

BUFFALO—Life insurance sales in Buffalo in December hit an all-time peak. A. Rogers Maynard, Metropolitan Life, president Buffalo Life Underwriters Association, and Tower C. Snow, Penn Mutual, president Buffalo Life Managers Association, agreed on three reasons for the new record:

1. Higher industrial payrolls, which have increased the purchasing power of a large cross-section of the city.
2. Higher rates becoming effective with many companies Jan. 1.
3. War-risk riders being attached to new policies.

"It's been tremendous—the best December we ever have experienced, and I am sure this same condition prevails in all Buffalo insurance offices," Mr. Maynard said. "Advance notices of the insertion of war clauses probably have been a big factor in the rise."

Mr. Snow said "every insurance office in Buffalo has shared in the sharp up-

surge in business—the best in history from the standpoint of paid business."

#### Service Men Honored at Party

Men who have entered the army or who will join the armed forces soon, were honored at the Christmas party of American Mutual Life. These included Capt. John G. Bowes and Sgt. John Christian, who are home on furlough; R. H. Hanson, T. D. Dreyer and R. C. Johnson, who expect to join the army soon.

Special recognition was given Miss Anna Eberle, former assistant secretary, who has just retired after 41 years of service.

Employees were given defense bonds and stamps as Christmas gifts.

#### Again Defer Fischer Ouster Case

DES MOINES — Hearing on a petition for a writ of certiorari to determine jurisdiction in the ouster action against Commissioner Fischer of Iowa has been postponed again from Jan. 8 to Jan. 15.

The postponement was granted at the request of the attorney for Benjamin Wolf, who filed the ouster action with the state executive council as a policyholder of American Mutual Life of Des Moines, claiming Fischer had shown partiality in supervising that company.

## Whether to Hold Conventions Is Now Being Studied

A question that is likely soon to arise in practically all insurance organizations and on the part of companies is whether the customary conventions shall be held or whether the arrangements should be canceled during the war period. So far the only definite cancellations of convention plans that have come to our notice are those of Scranton Life and Guarantee Mutual Life both of which companies announce that they will not hold their customary agency conventions but instead will give those who would have qualified to attend certain amounts of defense bonds. In the last war certain insurance conventions were held as usual but others were called off. The fire insurance field men, for instance, were instructed not to hold annual outings but to confine their gatherings to business sessions in the headquarters cities in the various states. The mid-year meeting of the National Association of Insurance Agents was not held.

Apparently there has been no hint on the part of the government that the holding of conventions is detrimental to

the defense efforts, but if there should be any suggestion on the part of the government, that, of course, would mean almost complete abandonment of conventions of all kinds. It may be that the day will arrive when the government will try to discourage unessential travel and that would be a blow to conventions. The railroads may become so occupied with transporting the military and those that have definite defense missions of all kinds that an effort may be made to relieve the pressure upon them for ordinary travel.

Another consideration unfavorable to conventions is that everyone is so busy these days at his own job and perhaps in various defense activities on the side that many who ordinarily go to conventions would not be willing to take the time during a period of war. Others, due to the increased taxes, might hesitate to make the expenditure.

On the other hand, it may become more important than ever for members of various trades to get together in war time.

The printed proceedings of the 1941 annual conference of the Life Office Management Association, held in Cincinnati, are now being distributed to members. These proceedings contain approximately 300 pages and are in bound form.

## THE JOB OF SELLING

Life insurance is really money for women, children, and elderly people; to provide bread and butter, a roof over their heads, and some of the comforts of life. In most cases this money would not be available except for the job of selling done by the insurance agent. According to records, the *majority* of our families have received little or nothing but life insurance money when the head of the family dies.

*Massachusetts Mutual*  
**LIFE INSURANCE COMPANY**  
 Springfield, Massachusetts  
 Bertrand J. Perry, President

## Life Salesmen Take Advantage of War to Increase Income

**Agents Who Made a Drive During December Wrote Fine Business**

A number of companies did not put their war clauses in effect until last Monday. Some even went until the end of the year and put them in effect Jan. 1. There are a few with dates as far ahead as Jan. 15. The war clause situation and the general conditions made December the best month in the year for many offices. The great drive for business started Dec. 8, the day following the attack on Hawaii by the Japanese. Up to that time there had been a strong isolationist feeling throughout the country and many people regarded war as a sort of academic subject so far as the United States was concerned. The general feeling was that Japan would not dare attack this country. However, when the blow was struck with terrific force suddenly everyone then knew that the horrible thing had happened.

### Agents Became Excited

The life insurance companies that had not put on a war clause got very busy with notices to their agents and the agents themselves became excited. There was a direct, powerful incentive for the agents to work and they got out of their chairs full of vim and determination with the result that a large business was produced. Life insurance offices whose war clauses took effect, for instance, last Monday, were kept open until late hours Saturday night getting out applications and closing up business.

The condition demonstrated the fact that when salesmen start out as crusaders and feel the need for action the results are forthcoming in large measure. They were imbued themselves with the spirit of the hour. December thus proved to be a banner month for new business. Many cases that had been hanging fire were closed without much difficulty. Even those who had but little possibility of being brought into action concluded that life insurance was a very safe investment. Even young men who felt that they would be called knew that government life insurance was an excellent thing but when they returned they should have some savings and investment started and hence concluded that life insurance was their best bet.

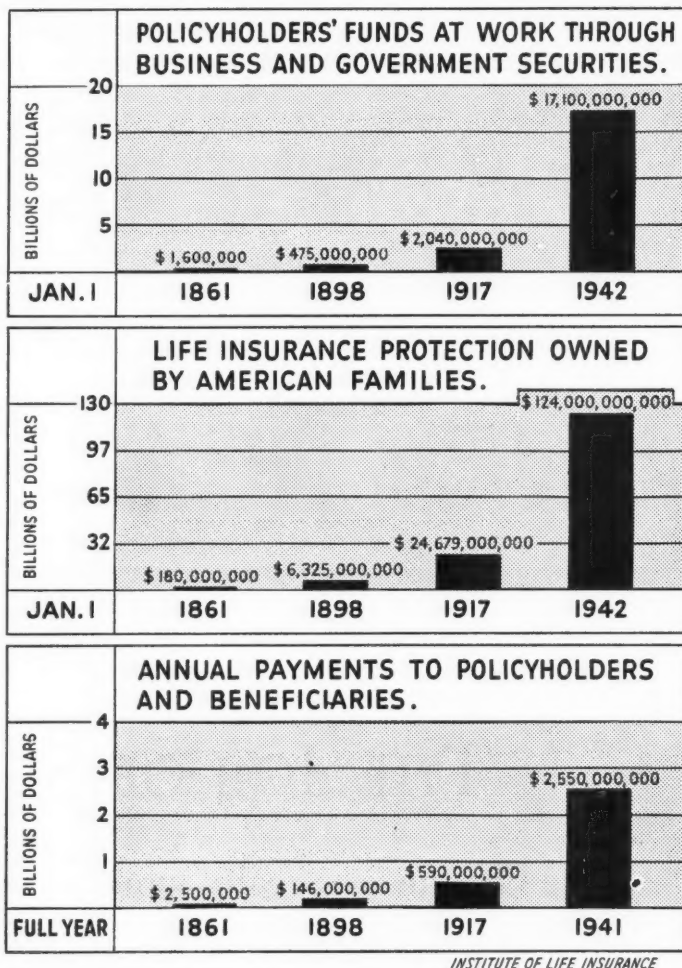
### Situation as to Taxes

Even those with larger incomes faced with a large income tax felt that life insurance after all was the wisest estate that could be created, the safest and the best. A number are buying life insurance, going as far as they can to protect their families and create an estate that will mean something and then if anything is left over and above what has to be paid out for taxes or other outlay, can be invested in some other form. It is interesting to see how many men are now taking steps to provide what life insurance they can afford counting that as the estate they will leave for their dependents and not figuring on anything else. If in the future they have any surplus it can be used for investment or further purchase of life insurance.

The year will close, therefore, so far as new business is concerned with flying colors and men who have had great difficulty in making both ends meet have had a fine December and that has been of great benefit to them.

People become life insurance minded

## Life Insurance in 1942 Is Many Times Bigger Factor Than in Past War Periods



Life insurance, which has made important contributions to the nation in past wars, is many times a bigger factor as 1942 opens than in previous national emergencies, according to the Institute of Life Insurance. Policyholder funds at work through business and government securities alone now aggregate \$17,100,000,000, or more than eight times the total in 1917 when this country entered the first world war. Life insurance protection in force now aggregates \$124,000,000,000 providing a backlog of family security more than five times as great as in 1917. Sound national morale is essential to victory and family security tends to build and maintain morale. Benefit payments to policyholders and beneficiaries, which strengthen the economic fabric of the nation particularly in times of crisis, amounted to \$2,550,000,000 in 1941 compared with \$590,000,000 in 1917.

far more when death stalks around. When other nations were at war those in this country did not regard death as a spectre that was passing through their streets. Now with the United States at war and with many deaths and casualties already people are far more greatly interested in life insurance as a means of protection. Agents are taking advantage of this situation and writing an excellent business. It all goes to show that when agents really get deeply interested they can sell insurance.

There will be intense interest in the exact production figures for December. Some are predicting that the ordinary production for December may come close to \$1,000,000,000. That would compare with \$440,000,000 in December of last year. The peak figure for any one month was \$844,000,000 in March of 1930.

Canadian life companies operating in this country, which deferred action on a war clause in United States policies while they watched developments here, now have quickly followed the course set by the major eastern and middle-western companies. Several Canadian companies this week announced that starting at once they were applying the war clause to all new policies issued, at all ages and on both sexes.

Sun Life of Canada, Great-West Life

(CONTINUED ON PAGE 10)

## Rush to Beat War Clause Gives K. C. Agencies Big Month

**Study How to Keep Agents Going: Priorities Create New Agent Source**

KANSAS CITY—Several life agencies here reported the biggest December in history due to the rush of buying before war clauses went into effect. In spite of the large business, however, general agents and managers are not riding with the tide, but already have outlined programs to meet the slump that usually follows such a buying splurge. These programs also seek to meet other war torn problems, such as the effect of priorities on certain businesses, the shift in those earning a spendable margin, etc. Priorities are creating a new source of agents to offset loss of younger agents called to service.

The Sam C. Pearson agency of Northwestern Mutual Life wrote approximately \$1,250,000 of business in the two weeks preceding Dec. 23, when the company's war clause was applied. In all of last December the agency produced \$181,000 of business. Reports from other Northwestern Mutual agencies over the country indicated the same experience. December was the Pearson agency's biggest month.

### Sell at All Ages

Most of the production was ordinary life, and age of applicants ran from 15 to 50. The average age of 35 applicants representing a cross section of the "war clause business" was 26. The company had not been taking applications on younger men in the 1A classification for a month or so. Another surprising feature was the number of large sized applications. Quite a bit of business was, of course, taken out by parents on younger sons, and the agency arranged a number of examinations in college towns over the country. Many of these parents had the feeling that the war clause might be left in for some years, and wanted the sons to have some insurance without it.

The two weeks' experience shows, Mr. Pearson said, that people believe in life insurance, that the need for life insurance still exists, and that money for its purchase is still available. Merchants of Kansas City had one of the best Christmas shopping seasons in years. The city is beginning to feel the effect of employment in the small arms and bomber plants nearby as well as in many smaller industries benefiting from war production.

### Agriculture Benefits

However, the big thing is that Kansas City is the trading center of a huge agricultural area, and the prices of everything that the farmer produces is way up. He cited figures showing that whereas a year ago it required four 200 pound hogs to produce \$60 for a life insurance premium, today it takes only two and a half; 222 pounds of butter were needed a year ago, only 162 today; 70 bushels of wheat, compared with 53; 313 dozens of eggs, as against 195, and 4,000 pounds of milk, compared with 2,900.

If the agent can maintain his momentum, now up, he should have a good, normal business. The agent's job is to get out and work.

Mutual Life of New York was another agency with a very big December. Frank Trotter, manager, reported almost

(CONTINUED ON PAGE 17)

### Southeastern, Liberty, S. C., Merge

Consolidation of Southeastern Life and Liberty Life of Greenville, S. C., became effective Jan. 1 under the name of Liberty Life. Insurance in force is over \$160,000,000 with assets in excess of \$11,000,000. The company will have capital of \$400,000 and surplus of over \$600,000. It will operate under the charter of Southeastern Life, with its name changed to Liberty Life. This action has been authorized by the directors and stockholders of both companies and has been approved by the South Carolina department.

W. Frank Hipp is president of both companies.

### Pays Cost of Living Bonus

A 5 percent cost of living bonus has been granted all home office employees of Security Mutual Life, Binghamton, N. Y., who earn less than \$3,000 annually. First payment, covering the final three months of 1941, was distributed Dec. 24.

Of every 100 men starting a business career when they are 20, approximately 24 will have died before they reach 60—that is, when their earning power is greatest. At the end of another 15 years only 38 will be expected to be alive.



# Must Meet the Problems of Today with Courage

Nelson D. Phelps of Boston, general agent Northwestern Mutual Life, gave the keynote talk at its New York meeting this week. Some problems confronting life insurance people, he said, are challenging, some interesting and some just plain discouraging. He referred to an experience of one of his agents during a day to illustrate a point he was trying to make by showing that this salesman possessed resiliency and courage to start again the day after he was confronted with many difficulties and upsets. Mr. Phelps said that business consists largely of a series of crises, the continual overcoming of a long series of what appear to be insurmountable obstacles. Sooner or later people become tempered by experience to this circumstance.

## Takes a Backward Look

"You may say that today as we enter 1942 we are confronted with more confusion, fear and uncertainty than at any time in the history of our business," Mr. Phelps said. "Maybe that is true. But let me take you back several years to 1933. The stock market crash had by then established itself as a permanent calamity. It had been demonstrated beyond doubt that this was no temporary readjustment in our economy and prosperity was not just around the corner. Life insurance production was in the doldrums and we were suffering from a steadily decreasing national income."

Mr. Phelps told about a conference in February of that year when the general agents held a meeting in Chicago. At breakfast a man opened his daily paper and saw a big heading on the front page showing that Michigan banks were closed. Mr. Phelps said that never in his life had he seen such consternation or heard such profane expressions of concern. Soon all the banks in the country were closed. Then came the life insurance moratorium. The country was scared out of its wits. Life insurance safety was questioned on every hand and most of the agents' time was spent in assuring and reassuring policyholders that the institution was safe and in liquid condition.

## Following Years Not Rosy

In spite of all this, Mr. Phelps said that the Northwestern Mutual paid for \$191,700,000 of business. The years that followed were not too rosy. Periodic inflation scares, government spending, government control, government in business, all added to national concern. Then came a number of twisters and "counselors" who intimidated policy owners. Mr. Phelps declared that these were not easy times and life insurance was not sold without considerable effort. He said: "Today as we look forward into 1942 what troubles do we have that we haven't had? There are some of the old favorites still with us, inflation, future uncertainty, possible change in our economic system. We have been running into them here and there for the last couple of years. Then we have increased taxes. Back in the '30's we had cuts in income and as far as I can see it amounts to the same thing in the long run to the individual and can be answered in the same way. If our selling job is done properly, if one appreciates his need for life insurance and wants it more than he wants certain non-essential commodities he will always find a means of paying for it."

## Selling Problem Not Altered

Mr. Phelps said the war does not materially affect the life insurance outlook. It does perhaps emphasize some of the difficulties in the picture bringing them into sharper focus but it doesn't alter the selling problems as such.

Speaking of the war clause he said that it does not give him a qualm in its present form. Some cases will be lost,

he said, on account of the war clause, but life insurance agents are accustomed to losing cases.

Continuing he said: "Men tell us that the future is uncertain. There never has been a time when it wasn't. The future was uncertain in August, 1929, but a lot of people didn't know it. The future was uncertain in March, 1933, September, 1939, and December, 1941, and it is uncertain now. That is why life insurance was organized, viz., to give the individual a degree of certainty in a world filled with uncertainty. If we can't flourish on uncertainty I don't know who can because life insurance has been the only certainty in the entire financial world for over 100 years."

## Effect on Agents

Mr. Phelps acknowledged that there are undoubtedly some who are going to have a tough time getting business in 1942. An agent may lose his perspective, lose his sense of humor, and magnify difficulties to such an extent that he does everything but defeat himself.

But he said most life people are going to take 1942 in their stride because they are toughened by what happened in the past. It resolves itself, Mr. Phelps said, down to just ordinary common sense. "The present situation is the only one before all life people," he added. There isn't much they can do to change it. But there is a lot they can do to adjust themselves to new conditions, to capitalize on them instead of bucking them. Mr. Phelps said that agents can adapt their prospecting procedure to bring them in touch with men and business that are making money today, and there are plenty of them, he said. Agents can adapt their presentation to appeal to the present day problems and thinking, and most important of all they can control their mental attitude.

## Life Insurance Still Needed

Mr. Phelps said so long as life insurance serves its primary function of indemnifying against financial loss occasioned by death better than any other medium conceived by man, agents have an indispensable service to render. Those who render that service honestly and intelligently and aggressively will be well paid for their efforts. So long as an individual's activity is worth something to his family and his business, so long as any interruption about activity

## Conventions

Jan. 23, Health & Accident Underwriters Conference, mid-year meeting, Chicago, Stevens Hotel.

Jan. 25-28, National Association of Accident & Health Underwriters, mid-year convention, Kansas City, Muehlebach Hotel.

Jan. 27-29, Texas Sales Congress: Houston, 27th; San Antonio, 28th; Dallas, 29th.

March 27, National Association of Life Underwriters, mid-year meeting, Memphis, Tenn., Peabody Hotel.

April 23-24, Insurance Accounting & Statistical Association, St. Louis.

May 20-22, Industrial Insurers Conference, New Orleans, Roosevelt Hotel.

May 25-28, Health & Accident Underwriters Conference, annual meeting, Kansas City, Muehlebach Hotel.

means loss to someone that loss will have to be paid and no better means of providing for that loss has ever been found than life insurance, the speaker continued. This fundamental, he said, stands out like a beacon in a stormy sea. Death is being dramatized today because of the war. Agents cannot forget that people are going to continue to die for the same less spectacular garden variety reason that they have in the past.

Subscribe to **Accident & Health Review**, \$2. 175 W. Jackson Blvd., Chicago.

## "This Morning We Will Discuss —"

No Lincoln National Life field man or general agent need be at a loss for a current thought that will help him sell more life insurance. Every Monday morning each LNL man receives his copy of the Monday

Morning Message This timely bulletin offers suggestions on current life insurance sales opportunities or news about the coming week's sales plans.

## THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

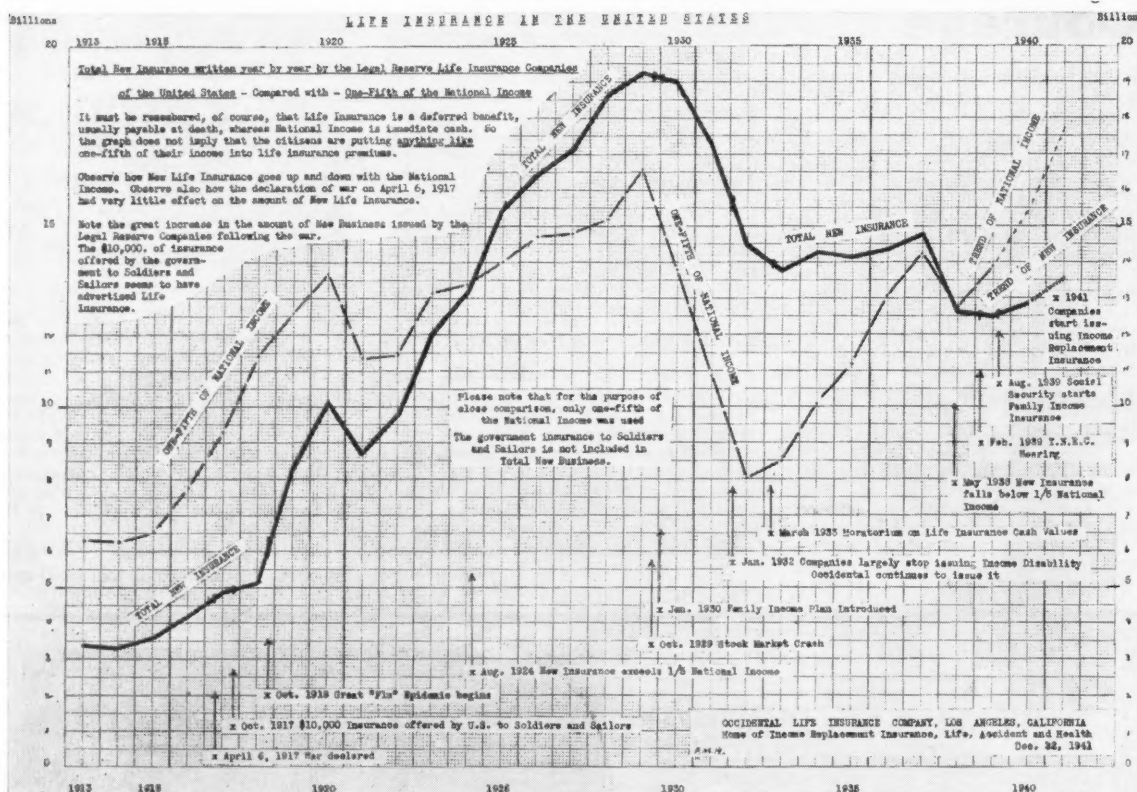
Fort Wayne

Indiana

*Geared To Help Its Fieldmen*



## Insurance Sales and National Income Compared



F. M. Hope, actuary Occidental Life of California, prepared the above chart which compares new insurance written with one-fifth the national income. The comparison covers a period extending from 1913 through 1940.

### Urge J. G. Callahan for Trustee of N. A. L. U.

Lester S. Becker, Lincoln National Life, president of the Life Underwriters Association of St. Louis, has officially recommended to President John Witherspoon of the National Association of Life Underwriters that James G. Callahan of St. Louis be appointed as trustee of the N.A.L.U. There is a vacancy in view of the fact that Gale F. Johnston, one of the trustees, has been named third vice-president of Metropolitan Life and hence is no longer eligible to serve on the board of the N.A.L.U. A letter of endorsement of Mr. Callahan has also been sent to Mr. Witherspoon by Prewitt B. Turner, Home Life, Kansas City, president of the Missouri Association of Life Underwriters.

Mr. Becker states that everyone in St. Louis has agreed that Mr. Callahan is the logical choice. He states that Mr. Callahan, who is manager of Metropolitan Life, has done more to promote association activity in St. Louis than any other single individual. He served as president of the St. Louis and Missouri Life Underwriters, he was secretary of the N.A.L.U. and has been treasurer of the St. Louis Life Underwriters for the past eight or ten years. He conceived the idea of the Little White House which is a very successful promotion of the sale of defense bonds. He spends some time there every day of the week.

## STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 So. La Salle street, Chicago, gives the following stock quotations of life companies as of Dec. 29, 1941:

	Par	Div.	Bid	Asked
Aetna Life	10	1.40*	23	24 1/2
Conn. Genl.	10	.80	22 1/2	24
Contl. Assur.	10	2.50*	37	39
Life & Cas.	3	.50	7 1/2	8 1/2
Lincoln Natl.	10	1.40*	26	28
New World Life	10	.30	3 1/2	4 1/2
N. W. Natl. Life	7.50	.30	7 1/2	8 1/2
Ohio Natl. Life	10	1.25	26	28
Old Line Life	10	.60	10 1/2	12
Travelers	100	16.00	345	360
Wis. National	10	1.00	16	18

\*Includes extras.

### Assemble at Children's Home for Gathering of Insurance Salesmen

Aetna Life salesmen representing the G. H. Campbell & Co. agency in Little Rock, Ark., chose the Little Rock Orphans Home as the location for their regular agency meeting, Dec. 20. At the conclusion of their session they were all enthusiastic in their praise of the idea of life insurance men getting together in such an atmosphere.

#### Vineyard Breakfast Chairman

Breakfast was served to the group, under the supervision of Mrs. Mary M. Williams, superintendent of the home. Foster Vineyard, associate general agent, presided at the breakfast table session. Following the meal, the visitors entertained the children who live in the home with a transcribed presentation of Dickens' "Christmas Carol." After this, the regular agency meeting was held. In commenting on the procedure, Mr. Campbell, who is one of the Aetna Life's veteran general agents, said: "This idea of having our agents get together at an orphans' home was an experiment with us, and turned out to be the kind of an experience that is good for any man selling life insurance. It is one thing to talk about the possibility of dependent children being without a home, and another thing to actually see and mix with the youngsters who have experienced this misfortune, of having to live in an institution instead of a home. The members of our group expressed themselves as wanting to make this kind of a meeting an annual affair in our schedule of agency meetings."

#### J. D. Cassidy Retires

J. D. Cassidy, superintendent of agencies of division C of the Western & Southern Life, is retiring from service. He was appointed to that place in 1928. For the last year he has been in failing health. He started as an agent at South Bend, Ind., in 1905 and subsequently he was manager at Lima, O., Dayton, O., and Cincinnati.

### Mardis' Insurance Company Is Not One of the Giants

D. V. Mardis, who is credited with having been the head of a fake accident ring of about 80 persons with headquarters at Kirksville, Mo., is referred to in newspaper stories as being a former life insurance executive. The ring has now been well broken up and only a few cases remain to be disposed of in federal court at Hannibal, Mo.

Mardis operated what was known as Old American Life Trust Association of Kirksville. This outfit is not now and never has been licensed by or operated under the supervision of the Missouri insurance superintendent. According to records in the office of the Missouri attorney general the original organization was American Life Benefit Association of Kirksville. It was formed under section 5014, R.S.Mo. 1929, which related to burial societies.

#### Outfit Was Investigated

Burial societies have never been subject by statute, to the supervision of the Missouri department. An investigation of the activities of American Life Benefit Association was made through the attorney general's office and it was considered that the organization may have been exceeding its charter powers. Then it seems that an association known as Christian Aid Society was formed under a declaration of trust. It is very doubtful whether there is any law in Missouri providing for the formation of an association of this type. Apparently the name was later changed to Old American Life Trust Association which operated under some form of declaration of trust agreement.

#### Besser Agency Away Ahead

The E. E. Besser general agency of Lincoln National Life in Chicago had about 40 percent increase in paid business last year and written business in December was up about 100 percent. Mr. Besser and all his agents and office staff have mutually agreed to put all their surplus funds into defense bonds and stamps.

## Manhattan to Put Renewal Premiums in U. S. Bonds

The directors of Manhattan Life resolved unanimously at a special meeting to use until further order, future renewal premiums on all policies entirely for the purchase of United States government bonds. President J. P. Fordyce said that starting Jan. 1 all such funds would be thus invested in order to place the company and its policyholders squarely behind America and her allies, and further assist in the war effort.

Mr. Fordyce notified Secretary Morgenthau of the action.

"I am sure that the action of our board of directors will meet with the unanimous approval of our policyholders," said Mr. Fordyce.

Within a short time, every holder of a Manhattan Life policy will receive by mail a victory emblem, to be attached to his policy, indicating that it is a "fighting policy." Every policyholder will be asked to sign and return to the home office, a card indicating that the victory emblem has been affixed to his policy.

Telegrams have been sent to the governors of the states in which Manhattan Life operates, notifying them of the company's decision, and all agents were notified by wire.

The renewal premiums of Manhattan Life in 1940 amounted to \$1,781,451. Government bonds of Manhattan Life at Dec. 31, 1940, amounted to \$417,914 or 1.8 percent of assets.

### Equitable Society's Pearl Harbor Claims

The Equitable Society finds that so far it was involved in the deaths of six policyholders, all connected with military, air or naval services, who were killed in the bombing of Pearl Harbor. The insurance amounted to \$19,000.

## Gets 15-Year Medal



HENRY M. POWELL

Henry M. Powell of Atlanta has been presented a medal in honor of 15 years of service with State Mutual Life. He was general agent in Atlanta until recently, when he resigned to devote his entire attention to private business. R. H. Denny, director of agencies, went from the home office to Atlanta to present the medal. Mr. Powell is a former president of the Atlanta Life Managers Club and of the Atlanta Life Underwriters Association. He will be one of those honored at the coming meeting of the Georgia Leaders Round Table.



## Illinois Bankers Life Calendar Quotations Selected by H. T. Martin

The Illinois Bankers Life in getting out its calendar in recent years relied on the late Hugh T. Martin, its president, to select quotations appropriate to the various months printed on each page. Prior to his death some weeks ago, Mr. Martin completed the selection of quotations for 1942. Before the end of the year he always sent to a selected group of his friends one of these calendars with a little personal note expressing good wishes for the year. Therefore, the company decided to send out the 1942 calendars just as Mr. Martin had planned. Accompanying the calendar is the company's house organ, "The Firing Line," for November which was given over entirely to a personality sketch of Mr. Martin and a tribute to him.

## Dinner for Hodges, Now Ohio National Agency Head

A farewell luncheon was given by the General Agents & Managers Association of Cincinnati to General Agent Ray Hodges of Ohio National, newly appointed superintendent of agencies for that company. Mr. Hodges was presented with a two-pen gold ink stand.

Douglas Grannis, Penn Mutual, was toastmaster, and testimonial remarks were made by Rook Woodward, manager of Equitable Society; C. Vivian Anderson, Provident Mutual; John Evans, vice-president of Ohio National, and Lee B. Scheuer, State Mutual, all amid considerable friendly heckling by the 40 friends who attended.

Arising to give his response Mr. Hodges, obviously moved by the surprise testimonials, was embarrassed to see the members rising and apparently about to leave the room. After the momentary flurry, however, the guests returned to their seats. Mr. Hodges suggested that in order to become a home office executive an agent should make many speeches, always talking about salaries for agents and bigger allowances for general agents until the home office had to buy him off.

## Would Increase Board to 17

Stockholders of Continental Assurance have been asked to vote on the proposal to increase the number of directors from 15 to 17. This is being done to bring the articles of incorporation into conformity with the provisions of the Illinois insurance code. If the proposed amendment becomes legally effective the proposal is to add two new directors by electing Edison Dick, vice-president of A. B. Dick Company, and Howard C. Reeder, vice-president and actuary. Also it is proposed to elect S. J. Templeton of the law firm of Wilson & McIlvaine of Chicago to fill a vacancy.

## Reliance Cup Contest in January

Reliance Life will hold its fifth annual Divisional Cup contest in January. The western Pennsylvania department has won the trophy or shared in the winning of it in all four years of the competition. It won by itself in 1938 and 1939, and won in combination with the west coast offices in 1940 and 1941. Manager N. H. Weidner of the western Pennsylvania department and Pacific Coast Supervisor Nels J. Nelson have waived their right to permanent possession of the cup through two successive victories, and will place the original trophy in competition again in 1942 and 1943.

## Buys Home Office Site

DALLAS.—Reserve Loan Life has purchased 42 acres of land outside of the Dallas city limits for a home office building site. No immediate plans for building are being made because of priorities on construction materials.

Maurice F. Evans, formerly with Massachusetts Mutual at Richmond, Ind.,

## Committee on Education of National A. & H. Association Announced

President Clyde E. Dalrymple has announced the personnel of the committee on education of the National Association of Accident & Health Underwriters. Mansur B. Oakes, Indianapolis, was re-named as chairman. Dr. S. S. Huebner, president American College of Life Underwriters; E. J. Faulkner, president Woodmen Accident and chairman of the Health & Accident Underwriters Conference committee on education, and E. H. Ferguson, Great Northern Life, immediate past president of the National association, are honorary members.

The local associations are represented as follows: Akron, C. C. Lake, Herberich-Hall-Harter Agency; Arizona, John Lambert, Mutual Benefit Health & Accident; Atlanta, C. B. Harrell, Columbian National Life; Birmingham, Malvin Roseman, Maryland Casualty; Canton, P. C. Rowland, Globe Casualty; Chicago, A. D. Anderson, Occidental Life; Cincinnati, J. W. Scherr, Jr., Inter-Ocean Casualty; Cleveland, W. G. Gates, Loyal Protective Life; Columbus, E. W. Welton, Business Men's Assurance; Dayton, E. R. Noe, Business Men's Assurance; Denver, S. M. Swab, Federal Life & Casualty; Detroit, Roy Long, Great Northern Life; Indianapolis, John McGurk, Mutual Benefit H. & A.; Jacksonville, Ben W. Balay, Inter-Ocean Casualty.

Kansas City, Lysle Kindig, Massachusetts Bonding; Los Angeles, Otto Klop-penburg, Hartford Accident; Milwaukee, W. A. Kempf, Old Line Life; New Hampshire, J. E. Davie, Aetna Life; New York, W. L. Kick, Century Indemnity; Newark, R. F. Sheehan, Mutual Benefit H. & A.; Oklahoma City, George Jackman, General American; Peoria, C. R. Drysdale, Continental Casualty; Philadelphia, J. F. Leibig, Continental Casualty; Pittsburgh, Ross F. Roberts, Loyal Protective Life; Portland, Ore., H. E. Witham, Federal Life; St. Louis, G. H. Means, Metropolitan Life; Salt Lake City, F. E. Walker, Mutual Benefit H. & A.; San Francisco, Marshall Goodmansson, Provident Life & Accident; Seattle, C. W. Rogers, Business Men's Assurance; Toledo, A. F. Taylor, Inter-Ocean Casualty; Twin City, B. E. Scott, Continental Casualty; St. Paul; Youngstown, Paul E. Kennedy, Loyal Protective Life.

## Hold Cleveland Congress Jan. 10

CLEVELAND—The Cleveland Life Underwriters Association has completed plans for its annual sales congress Jan. 10. The program will include: John A. Witherspoon, president National Association, "The National Association Marches On"; E. M. Schwemm, Chicago manager Great-West Life, "What's Wrapped Up in a Life Insurance Policy?"; M. H. Richie, manager Metropolitan Life, Ashtabula, O., "Prospecting Procedure—the Right Arm of Successful Selling"; and H. Kennedy Nickell of Connecticut General Life, Chicago, last year's chairman of the Million Dollar Round Table, "The Buyer Demands."

Both morning and afternoon sessions will be held, with a special luncheon honoring President Witherspoon.

## Ohio License Recommendations

COLUMBUS—The Ohio Association of Life Underwriters at a meeting here voted to recommend to the Ohio department that any agent whose license had expired more than 30 days be required to take an examination before the license would be reinstated. The association also voted to recommend the continued use of the "part-time letter" in Ohio, which requires a part-time agent to secure a letter signed by his employer stating that he will be allowed time to service business he may write.

has joined the Irl B. Jackson agency of the company in Cincinnati. He will do special work for Mr. Jackson.

## IN U. S. WAR SERVICE

Harry N. Lyon, one of the Fidelity Mutual's top producers, chairman of the Quarter Million Round Table of the San Francisco Life Underwriters Association and an active organization worker, has been called into active service as a captain and aide to Maj. Gen. W. P. Upshur of the United States marines.

Mr. Lyon, a retired naval officer, entered life insurance at the beginning of the depression years after a short career in the investment business. In 1941, up to the time he was called back into service, he had written almost \$1,000,000.

At a special meeting, called by Acting Chairman Homer E. Anderson, New York Life, Captain Lyon was elected an honorary member of the round table for the duration and for one year after his service in the armed forces is terminated.

Frank Grogan, formerly an agent with Northwestern Mutual Life in Kansas City, is a lieutenant in the quartermasters corps at Maxwell Field, Ala.

Col. C. C. Neslen, former Utah commissioner, has been assigned to chap-

lain duty at Fort Douglas, near Salt Lake City. Col. Neslen went with the 145th light artillery to San Luis Obispo early in 1941. When about half of the regiment was sent on active duty in the Pacific he was transferred to the 115th engineers, and last week was assigned to the Utah post.

## Southland Life Promotes Three Men in Texas Field

DALLAS.—J. H. Sharpe has resigned as manager of Southland Life at Fort Worth and Archie Copeland, formerly at Lubbock, where he has been west Texas manager for several years, succeeds him. Andrew G. Dickinson, former supervisor at Abilene, has been transferred to Fort Worth as assistant manager. Mr. Copeland has been with Southland management for 10 years and Mr. Dickinson has been with the company for three years.

H. B. Gooch, personal producer at Amarillo for five years, has been made manager there. Abilene and Amarillo have been merged with the west Texas territory, and Mr. Gooch will have charge of the entire Panhandle and west Texas fields with the exception of Lubbock county, which will continue under the management of Neil Wright.

Welcome  
to KANSAS CITY  
*The Heart of America*

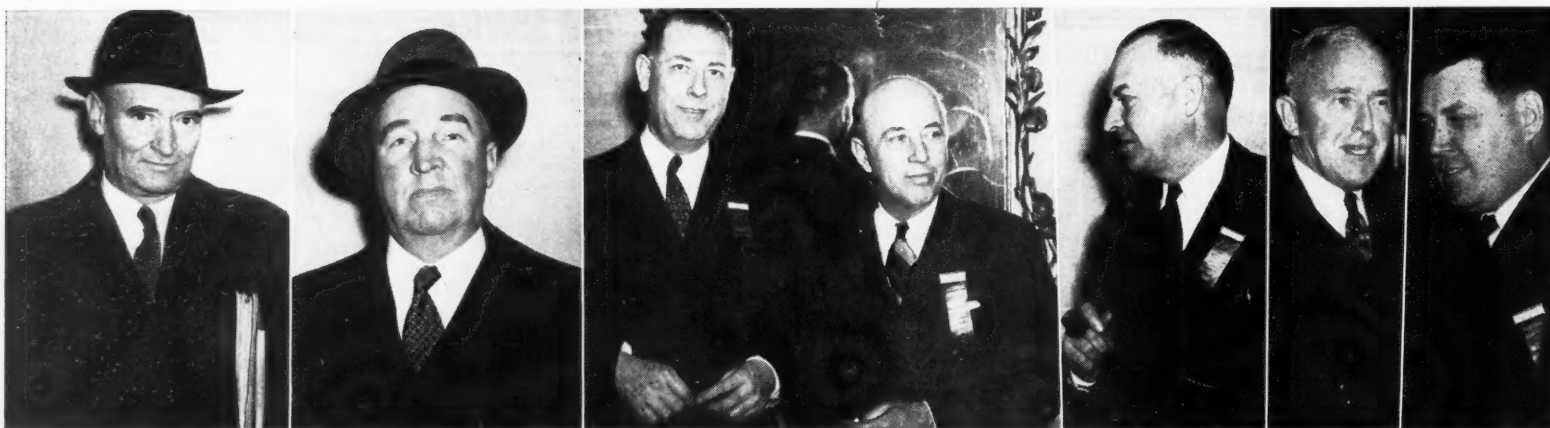


Winter  
Convention  
NATIONAL ASSOCIATION  
Accident and Health  
Underwriters  
JANUARY  
26  
27  
28

WELCOME ALSO TO VISIT  
*The Home of Complete Protection*  
BUSINESS MEN'S ASSURANCE CO.

W. T. GRANT  
President

J. C. HIGDON  
Vice-President In Charge of Sales



AT INSURANCE COMMISSIONERS MID-WINTER GATHERING IN NEW YORK:

Joseph Collins and Charles Wheeler, New York insurance department; F. W. Weidenfeller, Wisconsin insurance department; E. E. Cheuning, Missouri insurance

department; J. R. Lang, Wisconsin insurance department; Howard Dunham, vice-president American Surety; and Superintendent Scheufler of Missouri.

## Life Salesmen Take Advantage of War to Increase Income

(CONTINUED FROM PAGE 6)

and Manufacturers Life took this action. All three exclude all deaths in the armed forces in time of war outside the "home areas," which are defined as the United States, Canada and Newfoundland. However, within these areas they provide full protection without limitation. Manufacturers extends the full coverage throughout the North and South American continents, including the West Indies, Bermuda and Newfoundland. This is taken to include Panama Canal Zone and Alaska.

### Other U. S. Companies Act

Many American companies announced their action on war clauses, the majority applying them to all ages and both sexes, but some limiting them to males up to and including 45 years of age and down to 18, 16 or 15.

While some companies undoubtedly will not apply the clauses to all policies, it now appears evident that the great majority, even including those which announced war clause and war risk underwriting rules within the last two or three weeks, will revise these very soon and apply the clause to all policies.

A company which announced a war restriction of the "status" type, excluding any deaths in service in time of war, is considering broadening the cover. Other companies having a "status" clause, and those which exclude such deaths outside the country and exclude deaths from wounds received in service in time of war within the United States, also are thought to be deliberating on easing these restrictions in line with clauses being employed by the principal American and Canadian companies, which provide full coverage in home areas.

The Canadian companies' clauses employed in their country are of the latter type and English experience so far in the war seems to justify the broader form.

Sun Life, it is understood, will consider giving full coverage on civilians who are not subject to draft, for travel abroad at an extra premium, which is said to vary from \$10 to \$15 per \$1,000 annually. This compares with the \$90 extra premium recommended for use in Canada on those entering military service to fight abroad.

### Minnesota Mutual's Course

North American Life of Chicago announced it was applying the war clause to all policies. The clause applies on a "status" basis for war service outside North America and excludes military deaths in this continent, but provides full coverage for natural deaths here.

General American Life is applying the

clause in a limited way, to males 15-35, military, naval and reserve officers, etc. It excludes coverage for deaths in service due to incidents of war both outside and within the country.

Minnesota Mutual Life now has a clause in effect, applicable to all males over 15 and under 37, unless already classified as not subject to military service. It excludes coverage for deaths in service outside the country.

Country Life put a clause in effect Dec. 22 on all new policies. It is a "status" clause outside the U. S., Canada, Alaska and District of Columbia, but provides full protection in these home areas.

### Clause Filed with Departments

Illinois Bankers Life has submitted a clause to insurance departments and will announce the effective date and details as soon as approval has been secured.

Union Mutual Life now has a clause in effect, applicable only to unmarried males ages 15-36 and those in the service. The underwriting rules set limits that will be issued in these classifications. Foreign born men not yet citizens of this country may secure up to \$10,000 insurance without the clause; those in the armed forces \$5,000; young men in the third and fourth years of college R.O.T.C., \$5,000.

The clause is of the "status" type for deaths outside this country in time of war, either in armed forces or civilian non-combatant forces, the latter exclusion, however, running only for the contestable period.

### Gives Protection in U. S.

The aviation exclusion rider is attached to policies issued to civilian and student pilots under age 36. The limits include any amounts of insurance now owned in Union Mutual. The clause is "status" abroad but protects in this country.

Great Northern Life, Chicago, is applying the clause to males ages 14-45, but so far has not done so to females, except the clause may be added at the discretion of the underwriters for unusual war risk. This is a status clause.

Provident Mutual announced a war clause would be attached to all new policies regardless of age or sex. Except for the military and naval aviation hazard, and aviation training under government supervision, protection is provided in military or naval service within the limits of continental United States. However death of insured from any cause whatever outside the United States while serving in any armed forces is excluded and only premiums paid would be returned. Death in this country within six months after receipt of wounds or injuries incurred in such service while outside the United States, also is excluded. Because of statutory limitations, the clause is modified in New York state.

The underwriting rules state that neither disability nor accidental death benefit provisions will be granted to single males under age 36 or to others

who probably will be in the armed services. A top limit of \$25,000 life insurance applies to all such persons.

Because the United States government offers to its armed forces insurance without restrictions of this nature, Provident Mutual insists its agents not submit cases on the lives of soldiers or sailors unless they previously have purchased the government insurance.

### New England Mutual Action

The New England Mutual's decision to apply the war clause to all new policies was taken, President G. W. Smith said, "in realistic appreciation of our trusteeship and to avoid discrimination among new policyholders."

In general, the war clause does not place any limitations upon civilians so long as they remain within the continental United States, but there are variations of the limitations for New York, Texas and Hawaii.

The war clause used in most states excludes all deaths while in military or naval service of a country at war and while insured is outside the United States, or deaths resulting from such service within six months of his return or termination of service. Deaths caused by aviation while in the military or naval forces of any country at war are excluded, and also deaths within two years from issue while insured is outside the United States in any auxiliary or civilian non-combatant forces. All other civilian deaths occurring outside this country as a result of war within two years from date of issue are excluded.

### National Fidelity Status

National Fidelity Life notified agents regulations will continue to apply on all applications written and mailed before midnight Dec. 31, and any new regulations adopted would apply on all applications written after Jan. 1. On that date the new regulations were to be announced. It was intimated the new rules might include the clause in all new policies on males ages 15-29, and possibly older, and agents were urged to concentrate their sales effort before Jan. 1 on that bracket, and also on female risks. The latter advice hinted that the restrictions might be applied to women.

Lincoln National Life now is applying its war clause to all policies and both sexes. This company previously gave no coverage for insureds in the armed forces either outside or within the United States, but now it excludes liability only for deaths in the military or naval service outside the country and for two years on civilians traveling outside the U. S. due to any act incident to war. However, it covers those in the country's armed forces while within this country and Canada. An aviation exclusion rider is included.

Manhattan Life, Jan. 1 began inserting on all new policies issued an endorsement excluding liability for death resulting from military, naval or aviation service in time of war, the only benefit to be paid in such case being premiums

paid, at 3 percent compound interest, plus cash value of any then existing paid up additions and dividend accumulations, decreased by any indebtedness on or secured by the policy, but not exceeding the sum which would have been payable if the provision had not been included.

This exclusion will be suspended and the insured given full coverage provided he gives written notice to the company when he enters the armed forces and makes payment of any required extra premium for war risks.

Mutual Benefit announced effective immediately a rider would be attached to new policies issued to commissioned officers in the various branches of service and to all other male applicants between ages 16-45, as well as to certain other applicants engaged in special duties directly or indirectly connected with our country's war effort. It excludes death from military or naval service, death from aviation except as a fare-paying passenger and death within two years from date of issue while the insured is traveling or residing outside the United States or Canada.

The rider excludes war risk on policies in the above classifications, but provides for the return of premiums with interest at 3 percent per annum in event of death.

### Pacific Mutual Statement

Pacific Mutual Life advised all its general agents in a circular letter:

"For some time past the company has issued a number of life policies with war riders. These riders excluded coverage if the insured was engaged in military or naval service in time of war whether he was in continental United States or not.

"The company has more recently adopted the use of a more liberal war rider that provides coverage under life policies for military or naval service while in the states of the United States and the District of Columbia without extra premium charge. This coverage, however, does not apply to those in the aviation service.

"It is felt that it is only reasonable to extend this more liberal coverage to policyholders who now hold policies with war riders attached that did not cover for military or naval service in continental United States. You are accordingly authorized to advise such policyholders that as far as life insurance is concerned that the company will extend coverage for military or naval service, exclusive of aviation, provided the insured remains in the states of continental United States or the District of Columbia."

### Church Life Attaching Clauses

Church Life has adopted a war risk exclusion clause limiting liability to the reserve value of the policy in the event death occurs as a result of military or naval services during war time.

Shenandoah Life is now attaching a travel and aviation exclusion rider to all policies, and a war risk and aviation



exclusion rider to all policies issued on applications from single males, ages 15-44, inclusive, and married males, ages 15-35, inclusive. In addition, a war risk and aviation exclusion rider will be used in connection with other ages in cases where the underwriting department deems it advisable.

The travel and aviation exclusion provision incorporates the standard two-year travel clause excluding death within that period outside the United States, District of Columbia and Canada due to any act of war, and the aviation exclusion commonly used, excluding all aviation deaths except those while as fare-paying passenger on licensed aircraft with licensed pilot on scheduled route.

#### Provisions of New Clause

The war risk clause excludes death in the armed forces outside the home areas of U. S. and Canada, also death within six months following military or naval service outside the country, resulting directly or indirectly from wounds, injuries or diseases received or contracted while in the service; the two-year travel clause, and also aviation exclusion. In the event of such death the only benefit would be a single sum of premiums paid, at 3 percent compound interest, less indebtedness and any dividends paid in cash or applied on premiums.

Equitable Society has notified its agency force that since men in the armed forces can purchase government insurance which will provide them with full protection from any cause it would hardly be fair to solicit service men for protection which is restricted by war clause and that hence the company has adopted a regulation which under ordinary circumstances would preclude the company's issuance of insurance on the lives of service men. The regulation provides that insurance will be issued to service men only where the applicant has availed himself of the full limits of government insurance and where it can be reasonably well established that he will continue to serve within the boundaries of the United States. Equitable now issues all policies with a war rider.

Oregon Mutual Life is applying a war clause to males ages 15-44.

Dr. L. A. Warren, director of the Lincoln National Life Lincoln foundation, has been appointed by Governor Schricker as a member of the Indiana Library & Historical Board.

### Smaller Businesses Change Structure to Reduce Tax Liability as Corporations

Of some interest to life men is the considerable number of small corporations that are changing to limited partnership or individual proprietorship. This appears to be a general trend, according to John V. Hanney, Chicago attorney, and is of course designed to reduce tax liability.

Of course many large corporations cannot successfully operate under any other ownership structure. But smaller concerns whose ownership and operations are fairly limited can do so.

#### Corporation Taxes

The corporation pays a capital stock tax, corporation income tax, and corporation surtax. These taxes are not passed on to the business as individuals or partners, Mr. Hanney pointed out. The corporation income tax, excess profits tax, and capital stock tax are increased by the new revenue act. In addition a corporation surtax is imposed by the new law. The rates are 2 percent of the first \$25,000 of surtax net income plus 7 percent of the surtax net income over \$25,000.

The capital stock tax has been increased from \$1.10 per \$1,000 of declared value to \$1.25.

### Baumann Goes to Boston, Hippard Coast Manager

Joseph Froggatt & Co. has transferred A. R. Baumann from the Pacific Coast territory to the Boston office because of the large volume of business in the northeast territory and the desire to have him more closely associated with the head office in New York.

M. E. Hippard, assistant Pacific coast manager, has been promoted to Pacific Coast manager to succeed Mr. Baumann. Mr. Hippard has been with the firm for many years, having had experience in both Chicago and southwestern offices and having spent several years with the firm on the Pacific Coast.

### Canadian Offices' Far East Status

TORONTO—Canadian life companies have not been seriously affected by the spreading of war in the far east. Far-sighted insurance executives sensed

unrest there in recent years, and some decreased their business to a minimum, while others ceased all together. Some Canadian life companies which have withdrawn from this field still have a small volume of business in force. Sun Life ceased selling and closed its offices in Shanghai and Japan some time ago. Manufacturers Life, which at one time operated in the far east, ceased selling in Japan some years ago. At the outbreak of the Japanese war it had small staffs in Shanghai and Hong Kong. Crown Life and Confederation Life both transacted a small volume of business in the far east, but have not been active for some time.

### Cleveland Agency Wins Trophy

For the third successive year the Cleveland agency of Ohio State Life, of which Carl Adams is manager, won the Victory Trophy in its president's campaign. The campaign just closed marked the fifth anniversary of Claris Adams

as president. Cleveland was followed by Uniontown, Pa.; Columbus, Pittsburgh, Akron and Cincinnati. The trophy will be formally presented to the Cleveland agency at a meeting to be held in a few weeks.

## RECORDS

**Illinois Bankers Life**—The year just closed was the greatest in history. New business amounted to \$27,849,700 as against \$16,860,918 in 1940, or a gain of \$10,878,700 which is a 64 percent increase.

**Sun Life of Canada**—The President's Month drive secured 6,500 applicants totalling nearly \$19,500,000 of new applied-for business. Paid-for production reached \$16,250,000. The British division was not called on to participate in the drive.

## You Talk of Life Insurance, At a Time Like This?

**YES! — And for that very reason!**

Life Insurance has always been tuned to emergencies. It was built upon the knowledge that death and disability are enemies which can strike without warning.

Life Insurance is and always has been a defense industry, geared to immediately replace the economic values destroyed by those same enemies of death and disability.

That's why we believe we should carry on, now more than ever. That's why we need more Great Southerners.

If you are interested, write our Home Office, 401 Louisiana Street, Houston, Texas.



## GREAT SOUTHERN LIFE INSURANCE COMPANY

E. P. Greenwood, President

Home Office

Houston, Texas

### Northwestern Mutual Speakers



M. J. CLEARY  
President



GRANT L. HILL  
Agency Superintendent

The Northwestern Mutual Life starts the year with the first agency convention, it being held in New York City this Friday and Saturday. Two of the chief speakers will be President M. J. Cleary and Superintendent of Agents

Grant L. Hill. President Cleary will thus have the opportunity to tell what the Northwestern Mutual has done this year and what its program will be next year. He always sounds the keynote for the year in this address.

## EDITORIAL COMMENT

### See Danger in Federal Trends

IN the closing hour of the meeting of the National Association of Insurance Commissioners, Harrington of Massachusetts, chairman of the executive committee, introduced a resolution that seemed to have tremendous significance. It was a protest against Congress passing any legislation that would tend to regulate insurance rates. He referred to a bill that passed one of the houses of Congress that could be readily amended to include insurance. It provides for the regulation of rates of other business. The whole matter was left with the executive committee to take such action as seemed best. The majority of commissioners felt that the sentiment should be conveyed to the senators and members of the house as soon as possible.

All realized that in this hectic day of war more and more authority is centralized in Washington. It is now easy for the government to take charge of all sorts of activities that would not concern it in peace time. The longer the war lasts, the firmer grows the conviction that the federal government will extend its wings. It would only take a step really to transfer the supervision and regulation of insurance to Washington. So far as the fire and casualty compa-

nies are concerned, there are some state laws here and there having more or less to do with rate regulation and control. The commissioners saw the danger of the federal government superimposing its own authority over the states and simply setting aside state regulation statutes.

People recognize that it is the duty of the federal government to assume proper obligations where private companies would be unable to give adequate coverage. That for example would be war risk insurance covering loss from bombing. Britain has had to assume obligations of this character.

The thought in the insurance business indicates that the federal government should appreciate the existing agencies and machinery of the private companies and if they are geared for the job, it should not step in. The danger of federal control of insurance is more imminent and critical today, in our opinion, than it ever has been because we are confronted with a gigantic problem. We are centralizing so much work in Washington that it would be very easy for the federal government to assume control of insurance activities. The state commissioners are much concerned.

### Seeing the Effect First Hand

A MOST impressive meeting so far as location and environment were concerned was held at the Little Rock Orphans Home, Little Rock, Ark., by the salesmen in the G. H. Campbell & Co. general agency of the Aetna Life. The salesmen came in contact with the inmates of the home, saw what happens to many children when they are left destitute. Undoubtedly they were moved by the fact that these children had no

abiding place that they could call home except the institution. The regular business session was held at the home and a breakfast was served under the auspices of the home authorities.

This custom inaugurated by the Campbell agency might well be emulated throughout the country by holding meetings not only in orphans homes and infirmaries, but homes for the destitute, aged, etc.

### Participation in Social Science Groups

THE EXTENT to which life insurance men have participated this week not only in the meetings of the American Association of University Teachers of Insurance but in the concurrent gatherings of the American Economic Association, American Statistical Association, and allied social science associations serves admirably to direct attention to the broadened field in which life insurance now interests itself as contrasted with the self-sufficient attitude which has sometimes been noted in the past.

Aside from the insurance teachers' organization, which naturally stresses subjects of insurance interest, the other social science groups had on their pro-

grams Dr. Louis I. Dublin, third vice-president and statistician of Metropolitan Life, who spoke at a session of the American Statistical Association on the effects of a relatively stationary population total; Albert K. Kurtz, research associate of the Life Insurance Sales Research Bureau, who discussed papers presented at the session on personnel selection and vocational guidance of the American Statistical Association. At its joint session with the American Finance Association Claude L. Benner, vice-president of Continental American Life, commented on several papers dealing with savings and investments and the war emergency. Ralph C. Limber, sec-

retary of the Farm Mortgage Conference, composed of leading life insurance companies, discussed at a session of the statistical association the use of census data by financial institutions lending money on farm mortgages.

Indicative also of the way in which life insurance interests are interwoven with those of other social science groups was the election of Dr. Alfred J. Lotka of Metropolitan Life as president of the American Statistical Association. Dr. W. A. Berridge economist of Metropolitan Life, was on the program at the annual meeting of the American

Economic Association. Dr. Berridge took part in the association's session on the future of interest rates and acted as chairman of a session on the employment situation.

Never before has there been such extensive participation of life insurance men in these social science organizations' gatherings. It is significant of the recognition by the institution of life insurance of the importance of delving into fields of research that a generation ago would have seemed to have no bearing whatever on insurance business. This is broadening the life insurance view.

## PERSONAL SIDE OF THE BUSINESS

**Charles E. Becker**, president of Franklin Life, has been appointed a member of the three man board in the southern Illinois district to conduct hearings for enemy aliens arrested by the Federal Bureau of Investigation. The appointment was made by U. S. District Attorney Doyle of Springfield.

**E. D. Lacy**, assistant actuary of Northwestern National Life, underwent a serious operation at Mayo Clinic which it appears was entirely successful. It is anticipated he will fully recover. Mr. Lacy has been a member of the home office staff for about 23 years. He is manager of the division of research and audit, and for many years also has supervised preparation of the annual statement and expedited it for issuance promptly on the first business day each January.

**Dr. Marion S. Souchon** of New Orleans, medical director of the Pan-American Life, was featured in the Dec. 29 issue of "Time" due to his prolific art work. He paints as a sideline and seldom sells any of his work. He gives a number of private exhibitions and his secretary takes down in shorthand remarks made by those who see them. He has collected a whole file of these observations and has compiled tables showing which of these pictures draw the most favorable comment. He calls this system the "Souchon Poll."

Dr. Souchon's first hobby was history. "Time" said that when he had become something of an authority on Napoleon he started to collect cacti. When air-conditioning wrecked his indoor plantation, Dr. Souchon decided that painting would be something he would like.

"Time" states that his first pictures were done in what Dr. Souchon called "brown gravy classical" style. There was an exhibition of his work in 1935 and New Orleans critics roundly roasted it. So he changed his style. As "Time" puts it, "Turning his back on all the art school rules he picked up his brightest paint tubes, and let himself go. Before he knew it he got so involved in color that his son and assistant, Dr. Edmond Souchon, had to take over most of his practice."

"Time" states that Dr. Souchon gets up daily at 6 a. m. to work at his easel. He states that he has seen so much death and suffering that he had to find some diversion in painting. When he ceases to get any fun out of a picture he throws it aside and does another one. "Time" states that he finds meticulous

draughtsmanship a bore and he doesn't even bother to finish the faces in his figures but leaves them eyelessly blank. "Time" says, "Effusive and bubbling as Dr. Souchon himself is, the paintings make their point not by depicting anything in particular, but by the sheer richness of their color." He says that he likes his pictures red hot. The only trouble with color is that he cannot eat it, said Dr. Souchon.

**Charles G. Taylor, Jr.**, second vice-president of the Metropolitan Life, who suffered a fractured leg and other injuries last summer when he was run over by a tractor on his farm in Albemarle county, Va., has now practically recovered from his injuries. He went from New York to University Hospital at Charlottesville last week to have the cast removed from his leg.

**Dr. William R. Ward**, chief medical director of Mutual Benefit Life, has been selected as Newark's outstanding citizen for 1941 by a committee of the Newark Advertising Club. In making the announcement, the committee stated that Dr. Ward "symbolizes a devotion to unselfish service for the commonweal, and his charitable activities have given him strength which advancing years would deny to others. His activities knew no bounds of time and he freely gave of himself to his worthy causes into the late hours, regardless of holidays or weather."

He has been medical director of Mutual Benefit Life since 1912 and has served as president of the Association of Medical Directors.

**Barrett W. Woodsmall**, vice-president American Service Bureau, has just completed a tour of Texas offices.

**R. M. Williams**, John Hancock general agent at Little Rock, Ark., has been reelected to the Little Rock school committee. For the past year he has served as president of the school board and his father was a member of the same board for many years. Mr. Williams has been active in many civic enterprises.

**A. M. Palkovic** of the Youngstown agency of Ohio State Life has completed 400 weeks in the App-a-Week Club. C. G. Bloomindale of Marion has completed his sixth year of consecutive weekly production.

**Wilson Williams**, New Orleans, past president of the New England Mutual Life General Agents Association, was honored on completion of 30 years as the company's Louisiana general agent.



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"Ed, here,—never worries about his insurance investment dropping!"

Since he served in an executive field post with Security Mutual for 15 years before joining the New England Mutual, Mr. Williams has spent 45 years in the life insurance business.

Lieut.-Col. J. Keith Gordon, assistant medical officer of Sun Life, Montreal, has been appointed assistant professor of medicine in absentia at McGill University.

Bert A. Hedges, of Wichita, Kansas manager of Business Men's Assurance and secretary-manager of the Kansas Boys State, has been delegated to represent Kansas at the national conference of Boys State officers in Indianapolis Jan. 24-25.

William T. Earls, general agent Connecticut Mutual in Cincinnati, has been appointed supervisor of civilian defense plans for greater Cincinnati including Campbell and Kenton counties in Kentucky. Mr. Earls' appointment, which was the first in that area, was made by the city manager on recommendation of Brigadier General Merrill, coordinator of civilian defense. It is planned to set up defense machinery on a block to block basis supplementing local police and fire forces.

#### Columbian National Winners

The Columbian National Life's President's Month Plaque for 1941 was won by the Beardslee agency of New York, which qualified the most fieldmen.

The individual award went to James Daniels of the L. L. Howard agency in Boston. The award for the largest number of paid lives went to a newcomer, Harry Roemer of the Bell agency in Rutland, Vt.

#### TWO PRODUCERS WANTED

We have a real opportunity for two young Chicago men. One-half time to be devoted to personal production and the other half on salary basis for recruiting and training agents. Rapid advancement.

Must have at least 2 years' successful experience in selling life insurance, be married, college or equivalent in education, not over 35 years of age and reside in Chicago.

Give full particulars in first letter as these positions must be filled before January 15. Address Box O-85, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

## COMPANIES

### A. G. Sellman, Ill. Bankers Actuary, to Operate as Independent in Missouri

Henry G. Sellman, for 12 years actuary for Illinois Bankers Life, has resigned to enter private consulting practice with offices to be established in St. Louis and Kansas City.

Mr. Sellman is a graduate of the University of Michigan under the late Prof. James W. Glover, whose actuarial department has produced a considerable number of outstanding actuaries. Mr. Sellman served for a number of years as actuary of International Life of St. Louis, which was later merged with Missouri State Life. Also, for several years he engaged in the private practice of his profession as an actuary with offices in St. Louis. During the period of his actuarial career he has conducted the actuarial work in connection with 15 mergers and consolidations. He is an associate of the American Institute of Actuaries.

Mr. Sellman's successor as actuary of Illinois Bankers Life has not yet been appointed.

### Am. Savings-Republic Natl. Merger Awaits State OK

KANSAS CITY—Present indications are that merger of American Savings Life here with Republic National Life, Dallas, now awaits approval of insurance commissioners of the interested states. Theodore P. Beasley, president of Republic National, recently purchased 60,000 shares of stock of American Savings.

### West Coast Life Hit by War

SAN FRANCISCO—H. J. Stewart, vice-president West Coast Life, whose business in Manila, Shanghai and Hong Kong has been cut off by the war, reports that the Hawaii agency, conducted by B. F. Dillingham, is carrying on and unless more war activities occur in that sector business is expected to continue in substantial volume. Managers in Manila, who were in

touch with the home office prior to the latest aggression on that city, reported an increasing demand for policy loans. Since the ruthless bombing of the city by the Japs no direct word has been received.

### Liberty National Over \$100,000,000

Liberty National Life of Birmingham has passed the \$100,000,000 mark in insurance in force. Frank P. Samford, president, said insurance in force increased \$13,000,000 in 1941, bringing the total at the end of the year to approximately \$101,500,000.

### Gate City Capital Doubled

Gate City Life of Greensboro, N. C., has increased its capital stock from \$250,000 to \$500,000. The number of shares has increased from 2,500 to 5,000. Controlling interest in Gate City Life is held by Jefferson Standard Life.

### London Life Names Two Actuaries

London Life has appointed George S. Bere and Douglas P. Morris as actuaries. Mr. Bere, a graduate of the University of Toronto and an associate of the Actuarial Society of America, joined London Life 25 years ago. He is chairman of the group insurance committee of the Canadian Life Insurance Officers

Association and a member of its committee on the uniform life insurance act. Mr. Morris joined the company in 1925 and is a fellow of both the Actuarial Society of America and American Institute of Actuaries.

### Massachusetts Mutual Big Gain

Massachusetts Mutual Life estimates its 1941 new paid business totaled \$140,000,000 compared to \$128,000,000 in 1940. Insurance in force increased approximately \$35,000,000 in 1941 compared to \$26,000,000 in 1940.

### Great-West Advances Robinson

A. H. Robinson, formerly Windsor manager of Great-West Life, has been appointed supervisor of field service. He replaces W. A. Johnston, who is on active service.

### L. O. M. A. Conference Dates for 1942 Announced


The spring conference of the Life Office Management Association will be held in the King Cotton hotel, Greensboro, N. C. The annual conference will be held Sept. 28-30, in the New Ocean House, Swampscott, Mass.

\*\*\*\*\*

MEMO

*From all indications 1941 is going to be another great year in American National History!*

*W. L. Moody Jr*



**AMERICAN NATIONAL INSURANCE COMPANY**  
 GALVESTON, TEXAS · W. L. MOODY, JR., PRESIDENT

Friendly  
 Progressive  
 Strong

\*\*\*\*\*

## LIFE AGENCY CHANGES

### Travelers Montreal Manager, Maj. Shaw, Is Retiring; A. G. Brewer of Ottawa Successor

After 36 years in the business, more than 23 of which have been spent with Travelers, Major H. LeRoy Shaw, manager of the life department of Travelers in Montreal, has retired from active service.

A. George Brewer, at present manager of Travelers at Ottawa, who was brought into the insurance business by Major Shaw in 1928, succeeds him as manager at Montreal.

Major Shaw is a native of the province of Prince Edward Island. For 12 years prior to the first war he was employed, principally in a managerial capacity, by a Canadian life company. Following the outbreak of hostilities in 1914, he went overseas with his battalion and served with distinction through many major engagements in Flanders and in France. During the taking of Vimy Ridge by the Canadian Corps, Major Shaw was in command of his regiment and was, therefore, in the thick of what Canadians frequently refer to as "our hottest show."

Because of serious illness in his family, Major Shaw was given special leave to return to Canada before the war ended. As a result of this circumstance, it became possible for Travelers to engage him as manager of its Montreal branch June 15, 1918. In that position he has served the company with great credit. For some years, during the period of their establishment, Major Shaw supervised the Travelers offices at Ottawa, Quebec, and Halifax.

### Davidson Aid to Snow for Aetna Life in Des Moines

E. H. Snow, general agent at Aetna Life in Des Moines, has appointed Don D. Davidson as assistant general agent.

Mr. Davidson, a native of Iowa, was graduated from Iowa University in 1928. After attending the Aetna Life group school he was assigned to the Chicago agency as a group representative, from where he was transferred a year later to Omaha.

In 1931 he returned to Iowa as manager of the group department and continued until 1936 when he resigned to become supervisor in the life department, the position he has held until now. In 1936 he attended the Research Bureau agency management school in Chicago.

He is a director of the Des Moines Life Underwriters Association.

### Richard Wilson Succeeds Bruchholz in Chicago

Richard K. Wilson has been named agency director of New York Life's Clearing House branch in Chicago succeeding Frederick Bruchholz, who has been transferred to the home office. Mr. Wilson attended the University of Chicago and joined New York Life's Central branch in Chicago as an agent in July, 1935. After a successful record as a personal producer he was named agency organizer in September, 1939. He attended the 1940 Sales Research Bureau's managers school and has been one of the company's leading agency organizers.

### Three Field Aids and Group Man Named by Travelers

Travelers announces the appointments of three new field assistants, recent graduates of its home office school, and one group assistant to the life departments of four branch offices.

George M. Brandt of Randallstown, Md., has taken up his duties as a field assistant in Baltimore. He studied engi-

neering at Johns Hopkins University's night school before entering business. His previous affiliations have been with the Atlantic & Pacific Tea Company and the Liggett & Myers Tobacco Company.

John A. Dorman, Rutherford, N. J., has been assigned to the branch at Newark as a field assistant. For the past five years he has been a supervisor for the Works Progress Administration.

### Dennell Takes Peoria Post

Robert A. Dennell, a naturalized Englishman from Kankakee, Ill., has become a field assistant at Peoria, Ill. Prior to joining Travelers he had been a salesman for Marshall Field & Co. and International Harvester Company.

Charles T. Janney of Oakland, Cal., has been appointed a group assistant at San Francisco. He is a graduate of the University of Maine and has been with Travelers since obtaining his college degree in 1934.

### Mutual Trust Life Names S. S. Street in Philadelphia

Mutual Trust Life, which recently entered Pennsylvania, has named its first general agent there. Samuel S. Street, formerly assistant manager for Prudential in Philadelphia, has been named general agent in that city. He has been in life insurance for 19 years. His headquarters will be in the Philadelphia Savings Fund building. He is active in civic and fraternal work. Mutual Trust is now entered in 18 states.

### McAtee, Marsh to Pearson Agency

W. A. McAtee, in life insurance for 20 years, largely in southern Missouri, has now joined the Sam C. Pearson agency of Northwestern Mutual Life in Kansas City, as district manager at Springfield, Mo. He succeeds John A. Krall, 17 years with the agency and 13 at Springfield, who returns to his former home, Liberty, Mo., as special agent.

Mr. McAtee was superintendent of agents and general agent at Springfield for the old Missouri State Life. He organized the American Covenant Life at Springfield, which was sold to the Republic National.

Samuel Marsh, 15 years in the trust department of the First National Bank of Chicago, has joined the Pearson agency in Kansas City. He is a past treasurer of the Life Insurance Trust Council of Chicago, and was a charter member of that organization.

### Robert Rice Advanced

Robert Rice has been appointed general agent of the Kentucky Home Mutual Life at Montgomery, Ala. He

### Oakland Manager

Alfred C. Nelson, the new manager of Mutual Life at Oakland, Cal., for the past five years has been agency organizer at that place. In his new position he succeeds H. B. Cadwell, who becomes assistant to the vice-president and manager of agencies at the home office.

Mr. Nelson was born at Dell Rapids, S. D., and graduated in 1926 from the University of California. In 1931 he got his first taste of insurance selling as a part time representative of Mutual Life. He went on a full time basis in 1933 and has had a very successful career. He was awarded the C.L.U. designation in 1940.



Alfred C. Nelson

joined the company as an agent and since then has been regularly on the weekly leader list. He was first associated with H. E. Ladner agency at Birmingham. Subsequently he was appointed associate general agent there.

William B. Stone, supervisor of Franklin Life in Peoria, Ill., has been named to the same position with the Howard R. Marshall agency in Wichita, Kan.

## SALES MEETS

### Kentucky Home Mutual Agents Meet in March

Kentucky Home Mutual agents will hold their annual convention at the Miami Biltmore Hotel starting March 29. A special car has been arranged to leave Louisville, the home office city, March 28.

The convention will mix recreation with business. There will be discussions of agency and sales plans and matters pertaining to home office and field. New policies are in process of being drafted and these will be discussed, including

the new accident and health policies which soon will be announced.

This convention was to have been held in December. Its postponement gave 3½ months additional time in which the agents could qualify.

### K. C. Life Managers to Meet

KANSAS CITY—About 40 general agents and state managers of Kansas City Life will meet at the home office here Jan. 12-17 to discuss plans for the fourth year of the company's 5-year development program. All phases of the business will be discussed.

Participating in the program will be President W. E. Bixby, J. Frank Barr, vice-president and superintendent of agencies; J. A. Budinger, vice-president and actuary; O. Sam Cummings, Texas manager, and W. T. Whitehead, director of sales promotion.

### Pacific Mutual Salt Lake Rally

At the Christmas conference in Salt Lake City of agents of Pacific Mutual Life from Utah, Nevada and Idaho, numbering close to 50, Dick Truscott, Reno, Nev., was awarded the silver loving cup for largest production. This is the fifth year in succession that he has won the production contest, out of six years with the company. Hazen Exeter,

## Our New ARROW of GOLD POLICY Provides—

- 1—Low cost protection at less than term rates.
- 2—Selection of any renewal period (not less than five).
- 3—Renewal privileges any number of times until age 60.
- 4—Final renewal to age 70 (selection period ends at age 60).
- 5—Conversion privileges any time until age 70.

A liberal, flexible, low cost contract. Extraordinary first year commissions and renewals.

## Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

Exceptional General Agency contracts in the states of Illinois, Iowa, Indiana, Ohio, Missouri and Kansas

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general agent, was in charge of the conference. The Salt Lake agency was sixth in volume of new business written in 1941, out of 60 agencies of the company.

## MANAGERS

### Buffalo Managers Aiding in Defense on Six Fronts

**BUFFALO**—The Buffalo Life Managers' Association is taking a significant part in the defense program. At a luncheon attended by more than 50 managers and general agents, Tower C. Snow, Penn Mutual, association president, reported that the association is moving ahead on six fronts in an effort to help Uncle Sam in the emergency.

Fields of activity and the men in charge are: New York state guard, Leo J. Burns, Union Central; subversive activities, L. C. Slesnick, Prudential; civilian defense, L. G. Thebaud, Massachusetts Mutual; Red Cross emergency drive, J. W. deForest, Aetna Life; blood donor service, John Pennington, State Mutual; defense bonds, Mr. Snow.

Warren B. Smith, president of the New York State Life Underwriters Association, who is being transferred to the New York Life home office, was honored at the luncheon and presented a traveling bag.

### Christmas Party in Cincinnati

**CINCINNATI**—The Associated Life General Agents & Managers of Cincinnati held its formal Christmas party to which wives were invited. Guy D. Randolph, general agent New England Mutual, was program chairman. Mayor James Stewart of Cincinnati related some amusing and some tragic events in the life of a mayor.

Berndt Prinzipp, announced as a Far East expert, spoke on everything from Einstein to erysipelas, never quite finishing one paragraph. He turned out to be a professional actor.

### Christmas Party in Los Angeles

**LOS ANGELES**—The Life Managers Association of Los Angeles held a Christmas party with Rev. J. W. Brougher as speaker. He declared that life insurance men are in a business which is for the benefit of their fellow man.

Members voted to close their offices at 4:30 p. m. during the war emergency.

Chairman Rolla R. Hays, Jr., New England Mutual, reported for a committee which opposed participation in an insurance course at Los Angeles City College.

President Walter J. Stoessel, National Life of Vermont, reported on the year's activities. There has been a gain in membership.

Chairman Leon A. Soper, Phoenix Mutual, of the business practices committee reported that all matters of business ethics that had been brought before the committee had been amicably adjusted. A negative recommendation was made on a letter from the Life Insurance Owners League relative to a contribution for the control of inflation.

### Newark Cashiers Install Jan. 28

The Life Agency Cashiers Association of Newark will hold a dinner-meeting Jan. 28, when new officers will be installed.

### Receiver for Benefit Societies

W. A. Schilling has been appointed receiver of Durable Life Association and Home Service Society, both of Newark. Claims must be presented to him by Jan. 16.

About six months ago Home Service was merged with Durable Life but it was found that the former was insolvent. Attorney-General Wilentz held the merger was illegal and asked that a receiver be appointed.

## NEWS OF LIFE ASSOCIATIONS

### Prescription Is Given for Successful Work in 1942

**AUSTIN, TEX.**—Ford D. Albritton, vice-president and agency director Great Southern Life, gave a prescription for successful work in 1942 in a talk before the Austin Association of Life Underwriters.



Ford D. Albritton

Pointing out that events of the past few weeks have awakened the American people to the realization that things in life which have been taken for granted are really valuable, he said life underwriters can help in the government's program to create a reserve or backlog of buying power when defense spending ends. They also can perform an additional service—that of providing protection to families in the event the earner is taken from them.

Mr. Albritton said all life men should now decide upon their 1942 service objective and chart the course to accomplish it. He urged them to keep the right mental attitude toward their work, conserve their time by spending it wisely, improve their personality, maintain the enthusiasm that builds sales, be decisive in thinking and actions, increase initiative, add to their capacity for work, and finally to develop their lists of prospects. He urged them to avoid drifting into an attitude of indecision which later will create doubt and fear that they will not attain the objective they have set.

"Above all, the important thing to do is to cooperate with your government and the people of your community who are working to help their government," Mr. Albritton said in conclusion.

### Texas Congress Plans

The 1942 sessions of the Texas Association of Life Underwriters tri-city sales congress start at Houston, Jan. 27. The next day the congress will meet at San Antonio and at Dallas, Jan. 29. Those who will make the circuit of all the cities are J. M. Holcombe, manager Sales Research Bureau, Hartford; Paul Dobson, Minneapolis, agent of Northwestern National Life; Dewey Mason, Syracuse, N. Y., general agent Aetna Life; E. B. Thurman, Chicago, general agent New England Mutual Life.

**Jacksonville, Fla.**—J. M. Turnbull spoke on studying to be a life underwriter. He used much of the material he compiled for an address at Purdue University last summer before classes in a short course in life underwriting. Mr. Turnbull told of having invested \$10 of United States currency in the early '20's in German marks which due to German inflation eventually bought millions of marks, which in turn through the processes of inflation dwindled the investment to a value of less than one cent. Fears of such a runaway inflation, he said, are ridiculous for America has 83 percent of the gold in the world, unlimited international credit, untold natural resources, more food than it can use, land for five times its population and 65,000,000 life insurance policyholders.

**Minneapolis**—Five members will put on a panel discussion Jan. 8 on "Today's Market and Its Reactions."

Paul Dobson, Northwestern National Life, member Million Dollar Round Table, will lead the discussion. Taking part will be Lewis Stearn, Northwestern Mutual; Vernal Levoir, Bankers Life; Otto Veth, Northwestern National, and Lloyd O. Swanson, John Hancock Mutual Life.

The discussion will be conducted as if the audience were not listening in. There

will, however, be a period of questions from the floor.

**Kalamazoo, Mich.**—As most companies will follow the trend of issuing war risks clauses, there is no cause for alarm nor distress in this regard, H. J. VanWolven, Prudential superintendent, Grand Rapids, pointed out. It is fortunate that life insurance is flexible enough so that it can change to meet the current conditions, he said. Increase in rates should be considered as present protection for a company's future safety.

**Wichita, Kan.**—Francis G. Bray, president of the Texas association and New England Mutual general agent at Houston, spoke at the December meeting. Following the meeting Mr. Bray conferred with Leo Porter, Wichita defense bond chairman, and Lee Wandling, president of the Wichita association and chairman of the Kansas association's committee on defense bond sales.

**Dodge City, Kan.**—The last two meetings have been devoted entirely to the defense bond campaign, which is reported by Elmer Henry, national councillor, as progressing satisfactorily.

**San Antonio**—The annual dinner dance meeting will be held Jan. 10. Francis G. Bray, New England Mutual, Houston, president of the Texas association, is expected to be an honored guest. It is

hoped that one of the leading army men of this area can be secured as a speaker.

Harry Wise, Equitable Society, has been appointed chairman of the committee for the promotion of defense bond sales.

**Northern New Jersey**—Beatrice Jones, Equitable Society, president New York City association, will speak Jan. 8.

**Corpus Christi, Tex.**—About 65 attended a dinner meeting. Representative John Lyle and A. F. Ashford, president Western Reserve Life of Austin, spoke. Mr. Ashford stressed the importance of unity among life insurance men, and urged the association to get behind the sale of defense bonds.

**Toledo**—R. L. Towne, sales promotion manager Surface Combustion Co., Toledo, spoke on "Keep 'Em Buying."

**Toledo**—The association will be host to all northwestern Ohio agents Jan. 12, when John A. Witherspoon, president National association, will speak. Judd Benson, Union Central, Cincinnati, president of the Ohio association, and Superintendent Lloyd are expected to be present.

Employees of Franklin Life spread Christmas cheer among needy families of Springfield. The first organization in Springfield to adopt the good fellow practice, Franklin Life has distributed similar baskets for 28 or 29 years, and this year took care of 196 individuals in

January 1942

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

**Berkshire's PRESTIGE BUILDER**  
for General Agents and Berkshire Associates

"Ask any **BERKSHIRE** Associate"  
**LIFE INSURANCE COMPANY**  
INCORPORATED 1851  
FRED. H. RHODES, President  
PITTSFIELD, MASS.

## C. C. Klocksins Reviews '41 Record

(CONTINUED FROM PAGE 2)

filed its report early in the year on the investigation of the life insurance business. A minority of the committee had urged adoption of a recommendation favoring federal regulation, but the full committee voted decisively against it.

The final report of the committee contained recommendations to strengthen state insurance departments, such as higher qualification for supervisory officials, longer terms of office, and better pay. Enlarged department personnel, with only full-time, qualified employees under civil service, was also urged.

### Parallels Agency Executive's Ideas

Reviewing the T. N. E. C. findings as to marketing and distribution of life insurance, it may be said that the committee's suggestions for the most part run parallel with the present-day thinking of agency executives. Standardization of policy contracts was strongly urged by the committee. While competition in the life insurance business has brought out much that is good, it has admittedly brought out some evils. The worst of these perhaps are the "frills" in policy contracts.

In passing on the T. N. E. C. report, it may be noted that up to the present time the only suggestion in Congress as to any measure of federal regulation is in a bill introduced by Representative Wright Patman of Texas. The Patman bill proposes federal insurance or guarantee of life insurance policies up to a value of \$5,000, by the creation of a commission similar to the Federal Deposit Insurance Corporation. The bill has been pending more than a half year, and no action has been taken on it.

### War Clause Actions

As the war clouds gathered over the country, war clauses began to make frequent appearances in policy contracts. Actual involvement of the United States in war on Dec. 8, found most of the companies prepared to attach war clause riders to their policies.

Except for expressing their interest in uniformity in war clauses, the insurance commissioners left the working out of the restrictions to the companies, with the result that approval of clauses by the insurance departments has been quite general.

The principal purpose of imposing a war clause is to avoid subjecting present policyholders to the greater risks to be assumed on new business taken during the war period. In the clauses adopted there are naturally some variations, some companies requiring the clause for certain age brackets, and others making it applicable to all policies, regardless of age or sex. While no limitation attaches to civilians, likely there will be some limitation in the risk so assumed should deaths from bombings increase considerably.

### Institute of Life Insurance

In the short space of two years, the Institute of Life Insurance has made good progress in improving relations between the public and the companies.

It was not so difficult a task to tell the American people the important and simple truths about life insurance, but the Institute was also able to help the companies toward improvement in their own public relations. In the trying period ahead, the Institute will be in a position to amplify its efforts for a better understanding of life insurance by all.

The war's impact on life insurance has affected practically all phases of its operations. The full impact is still to come; indeed, it may not reach its full force in 1942. Unquestionably, the problems in home office and field will multiply many times.

The effect of both new and largely increased old taxes must be contemplated. As a result, policy loans which had gone down for a number of years are almost certain to rise. Cash surrenders, likewise down, are likely to go up. The

agents will have a real job maintaining the present favorable lapse rate. The trend will be toward a turnover similar to the last world war and depression dislocations. Not only higher taxes but generally increasing price levels lie ahead.

### New Volume Record Forecast

On the other hand, the expansion of the defense program, and the consequent enlargement of business directly and indirectly affected, will raise the national income some 10 or 15 billion dollars over 1941. Such income in 1942 will top \$100,000,000,000 for the first time in the country's history. Although the average policy may be smaller, the increase in number of applications is likely to be such that the 1942 business will set a new record in total volume.

An added impetus to the sale of life insurance has come from the government officials who have stated that every dollar put into life insurance premiums puts a brake on spending, hence on inflation.

### Must Defend Free System

For a century, the institution of life insurance has progressed under our private enterprise system. Under it, free men and women have joined to provide for their security and the protection of their dependents. This is in accordance with fundamentals of true American ideals.

In troubled times, the people of the world have entrusted their welfare to political leaders who claimed to have a new remedy to cure their ills, only to find themselves betrayed. When dictatorships came, freedom vanished and the masses were enslaved.

Our free system must be defended. Once their liberty has been lost, the people will become dependents, or wards, of the state. If they are to remain free, they must be the masters—not the state. Once the people really believe that, no combination of enemies or their resources, or even the hazards of war, can cheat them of their liberty.

## Insurance and War Financing

(CONTINUED FROM PAGE 3)

government securities to assets was not only higher than just before world war I but substantially above even the ratios reached at the peak of the load carried during the earlier conflict. But owing to the growth of the insurance business, the actual number of dollars available for investment is nevertheless far greater now than then.

### Status of Other Companies

British and Canadian companies, Dr. Parry said, entered world war II with fairly heavy holdings of governments but with the percentage importance of such holdings to their total assets very substantially below their world war I peaks.

Another ratio mentioned by Dr. Parry was the share of the central government debt held by insurers. Even before the defense program got under way American life companies accounted for about 12 percent of the total outstanding U. S. Treasury interest-bearing debt. This ratio was about three times as great as the corresponding ratio at the peak of the first world war financing and about 12 times as great as the peak ratio during the Civil War.

It reveals a support of our national government's fiscal operations throughout the 1930's that compared favorably with, and in several cases exceeded, the assistance given to fiscal operations of other governments by their insurance companies, Dr. Parry said.

A favorable factor bearing on the American life companies' capacity to help finance the present war is that the

## OUR SALARY SAVINGS PLAN IS POPULAR BECAUSE IT IS GEARED FOR EASY SELLING

...—V...—

Since March, 1940 a total of 43 cases have been closed, representing 26.4% of our regular First Year Premium Volume.

...—V...—

IT PAYS TO REPRESENT A COMPANY THAT HAS IN ITS SALES PORTFOLIO A POPULAR SELLING PLAN.

...—V...—

## THE VOLUNTEER STATE LIFE INSURANCE COMPANY

Chattanooga, Tennessee

Cecil Woods,  
President

Howard Blanton,  
Agency Vice-Pres.

"A Southern Company of Character"



## LIFE INSURANCE—THE FUTURE

We have seen freedom of thought and speech prohibited; freedom of worship destroyed; liberty of action and personal freedom give way to concentration camps; governments crushed. We have heard threats that all democracies and institutions of freedom are passe, that the new order (cruelty and unhappiness) is the thing.

American Democracy was founded upon the recognition of the essential factors in human nature—and instinct of each for self-preservation, protection of loved ones, desire of possession and for the betterment and improvement of life. The principles our forefathers recognized in the establishment of our government are the eternal principles of human nature. Such a democracy cannot be crushed.

Life Insurance forms the very heart and soul of the instinct of American people. It cannot, it will not, perish from this earth.

**PEOPLES LIFE INSURANCE CO.**

"The Friendly Company"

FRANKFORT

INDIANA





excess of operating inflow over outflow, on which insurance companies must depend to build up required insurance reserves available for investments, promises to continue generally favorable. This excess has run about \$1,500,000,000 per year recently. Barring unforeseen unfavorable developments that experience might well continue, Dr. Parry said, but added that inflow from refundings and mortgage repayments always has been a much more variable item and one whose future volume hardly can be predicted with any accuracy. Hence he excluded this source of funds in arriving at the \$1,500,000,000 figure.

Citing recent British experience, Dr. Parry said in the face of very difficult conditions premium income of British life companies has been remarkably well maintained. Among Canadian companies premium inflow has substantially expanded during the present crisis and sales of ordinary life insurance have been of boom proportions during much of 1941.

#### Other Factors Considered

Among other items of inflow, interest receipts do not present so favorable a picture because of the present low level of interest rates generally. Inflow from refundings and mortgage repayments doubtless will continue, though it will not necessarily be all available for investment in U. S. Treasury issues. On the disbursements side, experience here and abroad tends to indicate that policy loans and surrenders do not rise in war time nor have claims in earlier wars in any branch of insurance risen as greatly as is sometimes supposed.

Another favorable factor is that the insurance business entered this war with record-breaking cash holdings, substantially larger than those carried in the less troubled days of the 1920's. They amount to about \$1,000,000,000 for life insurance and \$750,000,000 for fire and casualty companies. Enlarged holdings of cash during the last decade have arisen partly out of increased caution, partly from a scarcity of desirable investments and perhaps in part represent money held in hope of improved interest rates.

#### Cash for War Financing

Whatever the reasons, some portion of this cash—but by no means all, if companies are to continue on their existing sound financial basis—will be available for war financing. It is important not to exaggerate the size of the companies' present cash balances, Dr. Parry warned. Actually, as a proportion of total assets, the present cash figure for American life companies, 3 percent, is only a little above the similar ratio of 2 percent at the beginning of world war I.

Just as the purchase of treasury securities does not adequately measure insurance's part in war finance, neither do its entire investment operations indicate the full measure of its cooperation in the nation's war effort, Dr. Parry said. The unique place of insurance arises not only because its investment function is readily adaptable to war needs but because as a service industry, rather than one dealing in goods, it not only is saved from competing with war industries for necessary raw materials but is afforded the opportunity to cooperate in a positive way in maintaining economic equilibrium. Also, its insurance functions are at least as vital in war as in peace, and because of the psychological values afforded by insurance protection, probably more so.

#### Funnels Nation's Savings

By directing millions of rivulets of savings into governmental and other vital investment streams insurance provides a means of raising capital for the war effort that is at once convenient, efficient and taps savings sources that perhaps could not be reached as easily in any other way.

By inculcating principles of thrift, insurance helps other voluntary savings programs, such as the sale of U. S. Treasury securities. Also, to the extent that premium spent for it might have

been expended for consumer goods, insurance helps maintain commodity price equilibrium, and to that degree contributes to the future economic stability of the country by deferring that demand for goods until post-war days.

## Rush to Beat War Clause Spurs Sales

(CONTINUED FROM PAGE 6)

300 applications for about \$1,000,000 up to the time the clause went into effect Dec. 20. Every class of prospect purchased business, he said.

Application of the war clause acted as a motivator, the best in a long time. Practically all of the business was stuff that had been "on the fire" before the war situation developed. There was no pressure business. An unusually high number of the applications were on binder. There were not many high priced policies, but on the other hand there was very little term. Most of it was ordinary life, and the largest case was for \$23,000.

Now that the war clause business is over, Mr. Trotter said his agency is starting to look for the prospects who are making money. Often they are not the same ones who have been buying insurance in the past.

Mr. Trotter cited the case of an agent who sold the president of a concern doing defense work \$40,000 of life insurance two years ago. Ever since, the agent has been trying to sell him more, but has been unsuccessful. The president is having a hard time keeping his life insurance in force. However, the agent overlooked the high-priced help which the president has under him, and is now starting in on that prospect group.

Equitable Society had very little notice on the war clause. In a short time, approximately two days, the A. M. Embury agency did get in a big bunch of business, according to H. C. Booker, assistant to the manager.

#### Studying New Situation

The big thing with this agency, however, has been to get agents adjusted to the new situation brought about by all-out war effort. There are still too many agents seeing white collar prospects. Agents are just beginning to learn answers to present day objections.

Here is a prospect, for instance, who is making more money than he did before, perhaps twice or three times as much. However, he objects that he doesn't know how long it's going to last. The agent is pointing out that the prospect is putting 35 percent of his money into automobiles and refrigerators. Surely he can put at least 5 percent into life insurance, however brief the increased prosperity. Automobiles and refrigerators are going to be cut down whether the prospect likes it or not, and he will have more of his income to spend on life insurance.

The prospect around 30 objects that he may have to go into service, that he may be in civilian life only a year or so more. The agent's answer to this is that he should take out insurance, nevertheless, because it will protect him until he enters service—if he does. Once in, he will have government protection, and if he gets killed, the life insurance company will pay all his money back.

A number of people are being affected by priorities, and the agent has got to get new names in his prospect list.

#### New Source of Agents

However, the agency is finding a lot of new men available for selling life insurance. Priorities have reduced the sale possibilities for life insurance in some quarters, but at the same time it has released some good men who are likely looking prospective agents. This is particularly true of the electrical appliance field, insecticides and cellophane.

One source of new agents created by priorities is that of residential construction. Here is a man who was with a

# Opportunity

The Pan-American Life Offers:

- A complete line of Modern Policies.
- One of the most Liberal Agency Contracts in America.
- A Recruiting Plan and Special Training for New Fieldmen.
- A New System, relieving General Agents from detailed Agency Accounting.
- Attractive and Effective Sales Aids and Policy Illustrations.
- Adequate Financing.
- Prospects for Insurance furnished through a Proven System.

Correspondence invited with men not presently connected.

Address:

Charles J. Mesman, Superintendent of Agencies

## PAN-AMERICAN LIFE INSURANCE COMPANY

NEW ORLEANS, U. S. A.

Crawford H. Ellis  
President

Edward G. Simmons  
Executive Vice-President

- It would be a courtesy to NATIONAL UNDERWRITER if you will mention the name of this publication when replying to the above advertisement. Pan-American Life Ins. Co. •



Occidental Representatives — after completing an outstanding year of production—are entering 1942 with the "Ace" of Occidental's "Perfect Protection" to fill out another winning hand for the year. This disability feature pays the insured from the very first day, irrespective of the cause of disability. Aggressive advertising help from the home office will add its helping hand as well.



LAURENCE F. LEE  
PRESIDENT

Occidental will add several serious minded insurance men to its field staff this year. Write W. H. Trentman, Vice-President.

OCCIDENTAL  
LIFE INSURANCE COMPANY  
RALEIGH . . . . . NORTH CAROLINA

large building concern until 60 days ago. The company practically discontinued operations at that time. He went into the insurance business, selling all lines as a broker, but primarily life insurance.

He is in a particularly good position to sell life insurance because, having sold homes for years, he knows a great many family situations, the approximate income, number of children, amount of mortgage, etc. He is building a clientele with mortgage redemption insurance, and as he learns more about the business will go back to sell other forms.

#### Tough Business to Start

He made one interesting comment. Although he started out with one of the simplest forms of life insurance and the residence fire insurance policy, he "quit" five times in the two months. He is an alert salesman, well educated, and was successful in the real estate field for years, but he felt that insurance was just too tough and complicated a business to learn. After 60 days he feels enough confidence to proceed with these simple protection forms, and is now becoming enthusiastic about the possibilities.

He said emphatically that if he hadn't been able to sell some fire policies pretty readily, he would have been out of the business definitely by now. Fire and auto insurance is "easy to pick up," he said.

The Prewitt B. Turner agency of the Home Life of New York, experienced the largest December in history. It stressed ordinary life because term can be converted without the war clause only if the difference in premiums is paid plus 6 percent interest.

#### Other Experience

The Kansas City Life, whose war clause does not go into effect until Jan. 15, and which also has a rate increase for the first of the year, is "swamped with business."

Provident Mutual had six days for war clause business and produced a heavy volume, mostly on ordinary life, according to Sam Quarles, manager.

December was about as big as anything it has ever had for Wayne Clover's Penn Mutual agency.

The Business Men's Assurance Company did not get much extra business because managers did not have much advance notice. In addition the company suggested that they not make any extra effort, according to President W. T. Grant. Mr. Grant expressed the belief that all companies should have had a uniform war clause uniformly applied.

#### CINCINNATI BOOM

CINCINNATI.—Cincinnati agencies experienced the most active business boom in many a day during the past two weeks. Numerous offices working at top speed during the few days available wrote as much business in one day as they usually do in a month. While all sorts of records were broken, perhaps the most significant thing is that the boom extended to offices which already had war clauses in effect before Pearl Harbor.

One company reported to its Cincinnati general agent that it had to hold over 2,500 applications which they just didn't have time to pass on before the deadline. These, of course, will be treated just as if they had been passed before the deadline. Another agency, whose deadline became effective the midnight before its agents were informed by wire, experienced one of its best months in some time. At several agencies clients waited as long as two hours to be examined and were glad to do it.

Considerable business was written on a one month preliminary term basis, some without binding receipts, and many cases went through for all the company would take, the agent practically setting the amount of the application. While there is no question but that the public was stimulated to buy because of the war situation, the opinion of most managers and general agents is that the boom in sales was due mainly to the effect of the war on the agents them-

selves who were motivated to go after every single prospect as rapidly as possible.

### Holcombe Research Bureau Head for 20 Years

(CONTINUED FROM PAGE 1)

Bureau opened independent offices in New York City, at which time Mr. Holcombe became its manager. In 1924 headquarters were moved to Hartford.

In addition, Mr. Holcombe is secretary and treasurer of Life Agency Officers and a director of the American College of Life Underwriters.

It was in 1919 that the idea of a sales research bureau for life insurance was first broached at a meeting of the Agency Officers Association. The idea was further developed the next year, and during the summer of 1921, largely through the efforts of the late Winslow Russell, 13 companies underwrote the organization by contributing \$500 each for a three-year period.

During these 20 years Mr. Holcombe has seen the organization grow to a membership of 129 companies—100 in the United States, 17 in Canada, and 12 associate companies located in China, the Philippines, South and Central America, and Europe. There are 35 people on the bureau's headquarters staff.

The Research Bureau is unique among business organizations and under Mr. Holcombe's management it has developed to a point where it exerts a major influence in the institution of life insurance.

### Insurance Teachers Gathering in N. Y.

(CONTINUED FROM PAGE 1)

of the committee on professional standards in property and casualty insurance, headed by Prof. S. S. Huebner, University of Pennsylvania; the committee on publications, headed by J. Edward Hedges, Indiana University; and the committee on collegiate preparation for insurance careers, of which Professor Loman is chairman.

Professor Loman said that the committee had held a number of meetings with the Life Agency Officers Association's committee on relations with colleges and universities and that it had been agreed to devise a standardized form on which local general agents and managers could submit to university placement officers data on type of openings, training methods, and compensation. Details of the form are being worked out and it is believed to constitute a substantial step toward the desired goal.

"I don't think we are going to have any," was the way A. Bruce Bielaski summed up arson as a factor in the nation's war program. Mr. Bielaski, who is head of the arson division of National Board of Fire Underwriters, pointed out that up to the time this country entered the war it was clearly the settled policy of the German government to do nothing to arouse the American people which it could possibly avoid, though the Germans would probably move efficiently now that we are in the war.

#### Holgar Johnson Presides

J. H. Harvey, director of the National Conservation Bureau of the Association of Casualty & Surety Executives, stressed the vital urgency of conservation of manpower and material through prevention of accidents in view of the war effort. He termed the occurrence of preventable accidents "self-sabotage." Mr. Harvey pointed out that big changes are ahead in adapting industry to war production, for only about 10 percent of American industry is producing for the armed forces today while in England the

## THE ULTIMATE FUNCTION

of any life insurance company is the prompt, courteous settlement of claims. We shall be pleased to have you compare our record of claim payment, for a third of a century, with any other which for that long has been excellent.



**BANKERS MUTUAL LIFE CO.**  
FREEPORT, ILLINOIS

*Founded in 1907*

## A Beacon Through the Fog

When death takes the breadwinner, LIFE INSURANCE shines through the fog of gloom and confusion.

When old age comes, LIFE INSURANCE is a beacon light that brightens the pathway.

Adequate training, friendly home office cooperation, complete service including juvenile policies, keep away confusion, gloom and fog for Indianapolis Life men. Our full-time representatives earned the largest average income of any company studied by the Insurance Section of the Securities and Exchange Commission, according to their report to the T. N. E. C.

## INDIANAPOLIS LIFE INSURANCE COMPANY

*A Quality, Legal Reserve Mutual Company*

Organized in 1905

EDWARD B. RAUB  
President

A. H. KAHLER  
2nd Vice-President  
Supt. of Agencies

Agency opportunities in Indiana, Illinois, Ohio, Michigan, Minnesota, Iowa, Texas and California



figure is 80 percent and in Germany 90 percent.

Holgar J. Johnson, president of the Institute of Life Insurance, conducted the session.

W. D. Winter, president of Atlantic Mutual, talked on marine insurance under war conditions.

Capt. Reese F. Hill of the War Department described the various considerations leading up to the adoption of the war department insurance rating plan.

Capt. Hill paid tribute to the cooperation of the insurance business and mentioned particularly the advisory committee headed by Vice-President G. S. Van Schaick of New York Life and of Superintendent Pink of New York and his staff. Capt. Hill predicted that one result of the war department plan would be to enhance the public's esteem of the insurance business.

Dr. S. S. Huebner, University of Pennsylvania, was toastmaster. Superintendent Pink spoke briefly.

J. E. Hedges of Indiana University gave a report as chairman of the publications committee. Last July that committee recommended that the association put out a "scientific journal covering the entire field of insurance." The cost would run about \$1,200 or \$1,500. At this time Mr. Hedges said the committee hesitates to make a definite recommendation that the publication be launched, because of the current situation. Mr. Hedges said the final decision should be left to the association and to the executive committee.

## Kenneth Field's Views on Common Stock Issue

(CONTINUED FROM PAGE 3)

Commerce Commission has apparently reached the conclusion that future common stock financing would be of slight support to most carriers. Hence it is a line almost entirely on retained earnings to strengthen carrier financing.

### Little But Grief Ahead

There appears to be little but grief ahead for many of the carriers when post-war tax burdens and reduced revenues meet head on, he declared.

Mr. Field summarized his points in this fashion:

Life insurance companies should have the right to buy common stocks, but should use that power only to a limited extent. The same conditions which have caused a dearth of new bond investments have also made common stocks have limited appeal.

Opportunities for long-pull acquisition of public utility operating company stocks will present themselves in the near future, but these will be fraught with dangers from rising operating costs and arbitrary shifts of contractual rights by the SEC.

Holding company securities in the electric power and gas field seem unattractive for an insurance company.

Railroad common stocks, likewise present no substantial outlet for insurance funds. Few of them have high merit.

Industrial common stocks seem to be the chief outlet for insurance funds. But even here opportunities are distinctly limited.

The restriction of "rescue loans" under the trust indenture act of 1939 and the harsh attitude of the SEC toward reorganization values are sobering factors in the face of an inevitable post-war slump.

### DISCUSSION BY TRAVERS

A discussion of Dr. Field's paper was given by F. J. Travers, second vice-president of Lincoln National Life.

He said that Dr. Field skillfully has drawn up a charge of inconsistency against the SEC, which urges insurance companies to invest in equities, yet does certain things to reduce the investment attractiveness of equities. However, Mr. Travers said, he desires to give credit to the SEC for instituting improved

practices in the issuance of utility bonds, such as restrictions against payment of excessive dividends, limitation of debt to 60 percent of property value and revision of property accounting on a more realistic basis. The inevitable cleanup and dehydrating of holding companies has deflated the older equity value concepts, he declared.

Mr. Travers said that utilities are obtaining more than one-half of their capital at an interest cost of less than 3 percent but they are earning 6 to 8 percent on their entire capital. Such generous earnings, he declared, would be justified if a good portion were applied to debt reduction but the typical utility bond provides for little or no fixed debt repayment. Present levels of utility earnings are therefore vulnerable, he concluded. From a policyholder standpoint, he said, common stocks are generally undesirable when they have a proportionately large amount of senior securities ahead of them. In the typical utility operating companies, including those which would develop from the breakup of the holding companies, debt and preferred stock together will represent upwards of 75 percent of the entire capital of the operating company. This same objection of excessively junior status applies to railroad stocks in addition to any unfavorable considerations in the long term outlook for traffic and freight rates.

### Consumers Goods Industries

So far as common stock investments are concerned, the more desirable field seem to be the comparatively stable and depression proof consumers goods industries, Mr. Travers said. Income, not hope of speculative profits, should be the motive for insurance company stock investment, yet timing of purchases is important. If such purchases are made chiefly in periods of depressed trade and widespread unemployment, the nation would benefit from this stabilizing force. The insurance company would benefit from the higher income and another important factor in timing is the comparative compensation as between stock yield and bond yield, since both bonds and stocks involve risks. At present this yield differential is said to be the widest in 40 years, with two minor exceptions. Tax considerations are a factor but more basically over the past decade, bond yields have been forced down by an increased demand for bonds occasioned by a \$10,000,000,000 growth in life insurance funds in the face of an \$8,000,000,000 decline in the volume of long term private debt available to investors.

An investor who is in a position to use part of his dividend income for

write-down purposes can soon get his book values down to a level which ought to be independent of market fluctuation.

### Example of Telephone

American Telephone bonds, for instance, are selling to yield about 2¾ percent. In contrast an investor may purchase A. T. & T. stock and, accepting a 2¾ percent equivalent bond yield, use the remaining dividend income for write-down purposes. The stock will thus be written down to zero in 22 years. Any dividend rate higher than \$3.40 will produce the same yield as is now available from A. T. & T. bonds. The present dividend is \$9. Should it be cut

to \$7 the stock can still be written down to zero before the bonds mature 35 years hence. It is unfortunate, he said, that insurance companies in many states have no legislative authorization to make a choice between bond or stock. More and more, he said, investors are looking behind terminology and descriptive words like bond, stock, first mortgage, to determine the actual priority of their claim upon earnings.

Mr. Travers pointed out that the relation of surplus to assets is modest in most life companies and they could not safely invest more than a modest proportion of their assets in stock unless and until the insurance commissioners

## A New Year's Wish

Again we come to "times that try men's souls" and put to rigorous test that heritage of indomitable courage by means of which our forefathers built America's fane of freedom. Under such circumstances the traditional Happy New Year is not to be expected. But happiness is a relative state of mind, wherefore we hope that the publishers and readers of this journal can so attune their mental attitudes as to glean from 1942 a generous share of gladness and prosperity.

## LIFE INSURANCE VIRGINIA COMPANY of

BRADFORD H. WALKER, President

Home Office: RICHMOND



Our Seventy-fifth Anniversary Year

1867



1942

# EQUITABLE LIFE OF IOWA

HOME OFFICE • DES MOINES

give some kind of preferential valuation treatment similar to the amortization treatment granted to bonds.

Common stocks are not a proper investment for life insurance companies, R. E. Badger, president Investment Counsel, Inc., Detroit, declared in his discussion following the set talks. The companies are doing both the government and their policyholders a substantial favor by investing in government bonds, he said.

It is humanly impossible to insure against all risks, and against deterioration of government credit or purchasing power of the dollar, Mr. Badger stated.

The criterion of a sound investment is its ability to return so many dollars in the future. The individual wishes to allot a certain amount regularly to a stable investment such as life insurance, with assurance that it can be counted on when it is needed.

The one course for the insurance companies, he said, to insure against risk, is the purchase of government bonds, high grade municipal bonds and a few high grade corporate bonds. An individual can quite well invest in common stocks but it is not the function of a life insurance company to do so. The only thing required of a life insurance company is to meet its legal liabilities, and "that is all we ask them to do," Mr. Badger said.

#### Retards Inflation

Mr. Badger pointed out that there is an inadequate supply of good common stock investments for life insurance investment on an adequate scale. Purchase of government bonds by life insurance companies proportionately reduces the inflationary push which is characteristic of government bond purchases of banks. In the open discussion following Mr. Badger's remarks, one speaker said that the life companies were continually getting more money, while acceptable bond issues were declining. He said that they were paying tremendously high salaries to invest in nothing but government bonds and urged a real study as to whether common stock investments were proper or improper.

Another speaker replied that the problem had already been given careful attention by the companies. The big reason for buying government bonds rests with the government because the net result of the new deal was to make common stocks unattractive. He said that in the future it is likely there would be a re-writing of life insurance from a high premium basis to a low premium basis because of high taxes and living costs, forcing the individual to reduce his commitments for life insurance.

A speaker said that fire and casualty companies were able to invest in common stocks because their surplus ran to 40 or 50 percent of their assets, whereas

## C. L. U.

### Plans for 1942 Production Viewed at Los Angeles

LOS ANGELES—Martin I. Scott, Blair Fuller and Robert L. Altick, three members, spoke at the final meeting of the Los Angeles C. L. U. chapter, discussing programming plans for 1942.

In the present national emergency, Mr. Scott pointed out, each agent should complete all his records and keep them up to the minute so that if he is called to service the person to whom he turns over his records may efficiently service his policyholders. Pension trusts in small businesses, insurance for estate purposes, business insurance for small businesses and personal insurance on a program basis are among the lines that will be profitable to sell during the coming year, Mr. Scott said.

In outlining "Activity Goals for 1942," Mr. Fuller cited certain volume, certain number of daily calls and interviews, certain plans to develop more centers of influence, an increased number of sales presentations each month. Another goal should be better prospects in 1942. The national income next year probably will be the largest ever known, therefore sales of life insurance should be better, he declared.

Mr. Altick discussed life insurance trends in 1942 from a managerial standpoint. From the home office standpoint, he predicted broadening and liberalization in regard to substandard business, growth in non-medical business, more attention to group business, more investments in government bonds, and a change in the method of compensation for field men. Managers should assume

life insurance companies' surplus ran from 5 to 7 percent, and they did not have the margin for speculation.

Mr. Travers was a busy speaker during December. On Dec. 4 he talked on "Current Investment Problems" at a trust conference of the Indiana Bankers Association in Indianapolis. On Dec. 8 he discussed "Investment and Economic Trends Affecting Insurance Today" at the insurance conference of the American Farm Bureau Federation convention in Chicago. Dec. 27 he talked on "Statistical Examination of Insurance Experience" at the American Statistical Association's annual meeting in New York. On Dec. 30 he discussed "Capital Flow and the Insurance Industry" at the American Finance Association's meeting.

more responsibility, pay more attention to older men and establish better prospecting bureaus.

The agent should recognize the effect of war on his business. There is a temptation to turn to term insurance. Inflation talk will be heard and the agent should endeavor to check it. Budgeting by people will be in favor of increased sales of life insurance. Competition from non-essentials, such as radios, new household machines, etc., will be cut down.

#### Special Indianapolis Forum

Butler University and the Indianapolis C.L.U. chapter are sponsoring a life insurance forum on the Butler campus in Indianapolis on Jan. 9. With the theme "Gearing 1942 Sales Plans to 1942 Economic Conditions," the forum will view changing conditions and methods of better serving the public.

J. R. Townsend, Jr., professor of insurance at Butler and member of the Indianapolis C.L.U. chapter, will serve as forum chairman. Milton Elrod, of R. & R. Service, will discuss "The Effect of New Tax Laws Upon the Problems of Estate Conservation."

Hilbert Rust will speak on "New Prospect Markets Resulting from the Shifting Channels of Income," and Paul Speicher, R. & R. Service will discuss "Current Economic Developments and the 1942 Life Insurance Picture."

### Lincoln National Life Announces Promotions

Lincoln National has promoted J. Bon Davis and W. B. Bellack from district agents to general agents for northeastern Wisconsin. The Davis & Bellack agency has moved to new offices in Appleton and will operate in 19 surrounding counties.

Mr. Davis began his Lincoln Life career in 1933 as a district agent in Appleton, Wis. under General Agent H. M. Holmes of Milwaukee. In 1939, after having established a substantial life agency in his community, Mr. Davis induced Mr. Bellack, a successful business man in Neenah, to affiliate with him as district agent. Under their joint leadership the agency continued to expand to a point where promotion to full general agency standing has just been announced.

This marks the second recent promotion to general agency ranking from the ranks of the Holmes agency. In 1940, R. P. Tinkham, soliciting agent in the Holmes office, was promoted to general agent in charge of the Pittsburgh agency.

## IT ISN'T

Deep Thinking

so much as

Quick Action

that builds a good  
renewal account.

We'll edge over

to make room for

a few more

quick actors!

**Guardian Life**  
Insurance Company

Home Office Madison, Wisconsin

MEMO

-sell a better  
policy for less  
and make  
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**CENTRAL LIFE of ILLINOIS**

INVESTIGATE  
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**Central Life**  
INSURANCE COMPANY  
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**A Pure Protection**—Ordinary or Whole Life policy without secondary banking or Cash Value features.

Low net renewal cost.

Our limited pay policies permit the withdrawal of Cash Values

Without cancelling policy

---OR---

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**We pay the Beneficiary**

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**34 YEARS**

Dependable service to policyholders. The sun never sets on an unpaid claim

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**Interstate Reserve  
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TEN EAST PEARSON STREET, CHICAGO



*Standard Life of Indiana*

**at Record Heights for 1941**

**—and Climbing Faster than Ever!**

**10% Increase in insurance in force.**

**18% Increase in sales.**

**27% Increase in admitted assets.**

**20% Increase in capital and surplus.**

### WHAT IS Standard Life GOING TO DO IN '42?

1. Continue to increase sales and size. 2. Build a larger, better equipped agency organization. 3. Offer exceptional opportunity to those who desire to get in on the "ground floor" to have their own General Agency. 4. Employ the intelligent use of a non-hysterical war clause. 5. Make no change in rates or policies. Those interested in joining a live-wire, growing organization, write HARRY V. WADE, General Manager.

**STANDARD LIFE INSURANCE COMPANY OF INDIANA • INDIANAPOLIS**



## LEGAL RESERVE FRATERNALS

### Fidelity Forges Ahead in 1941

A new \$250,000 club is being organized by Fidelity Life of Fulton, Ill., it was announced by Walter C. Below, president, at the annual sales convention held in Chicago. The \$50,000 and \$100,000 clubs had record membership in 1941, and special awards were made to leaders.

President Below headed a large official delegation attending from the home



WALTER C. BELOW

office. These included Frank W. Hough, secretary; W. C. Ewan and R. L. Rickoff, directors; Joe A. Fladger, sales supervisor; and Harold Allen, publicity director. A. R. Colvin was unable to attend, recently having undergone a major operation. Those present contributed toward the purchase of a gift for him. Mr. Colvin is expected soon to be back. He is sales director.

Much optimism and confidence over the outlook for 1942 was expressed at the convention. The year was a record-breaker for Fidelity Life and it was said 1942 should be one of the best in history. It was noted that the rank and file of Fidelity's sales department have a true understanding of the duties and obligations of a modern life insurance underwriter and a sincere desire to improve and increase the scope of service to the public.

President Below presided, assisted by Mr. Fladger, expressing confidence in the future and the belief that life insurance would weather the storm with flying colors and emerge stronger and more useful. He pointed out the important role life insurance is playing in national defense and said it would more than do

its part to win the war. Mr. Below expressed gratitude over the fine performance of the sales department in 1941 and said that the society would show large net gains in membership and insurance in force.

The special awards to club members and winners in the juvenile net gain membership campaign were presented. This special campaign netted the society many new juvenile members. Juvenile superintendents took part in a round-table discussion on juvenile activities under supervision of Bess Gallagher, juvenile supervisor.

#### N. F. C. Manager on Program

Many addresses of an inspirational and helpful nature were presented, including: "The Fraternal System," Foster F. Farrell, manager National Fraternal Congress; "Cooperation with Correspondents," Secretary Hough; "Fidelity Life Association, Yesterday, Today and Tomorrow," Director Ewan; "Payment of Claims," Director Rickoff; "Fidelity Life Association's Standing in the Insurance World," R. D. Taylor, consulting actuary; "The Unplowed Fields," Mr. Fladger; "The Increasing Importance of Women as a Life Insurance Market," Mr. Allen.

The second day was known as "Exchange Day." It was devoted to an exchange of ideas with 15 representatives presenting 10-minute talks on various topics, followed by general discussions. The first general topic, "Prospecting," was directed by R. A. Dudderar, supervisor, who presented Evert Brighton, W. T. Wilkerson, Ralph Turner, Virgil Cox and Oscar Ekberg. "Selling," under direction of C. R. Behnke, supervisor, was discussed by Roy Vincent, W. R. Taylor, G. G. Kerr, Ivar Seger and E. H. Law; "Persistence," Supervisor R. T. Cassaway presiding, by Ed. Hartenstein, J. I. Pearce, Alice Sawvell, Anabel Hoffmeister and Henry Spille.

At a luncheon Al Schoch, treasurer, who is 84 years of age and the patriarch of Fidelity Life, gave an inspirational address. A banquet was held, with a program of entertainment.

### Equitable Reserve Has War Clause

Equitable Reserve of Neenah, Wis., so far as is known is the first fraternal society to announce a war clause. A bulletin to field representatives was sent out Dec. 24 by N. J. Williams, president.

Effective Jan. 1, this society is includ-

#### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1897

A Legal Reserve Fraternal Benefit Society

Bina West Miller  
Supreme President

Frances D. Partridge  
Supreme Secretary

Port Huron, Michigan



ONE  
OF THE MANY  
GREAT FRATERNALS

**AID ASSOCIATION for LUTHERANS**  
APPLETON, WISCONSIN

# A \$90,000,000

## Society



Entering upon its fifty-ninth year, looks confidently to an ever-widening spread of fraternal life insurance service to the people of America in the years ahead.

1883

\$620,000,000  
paid in benefits

1941

### MODERN WOODMEN OF AMERICA

HEAD OFFICE

ROCK ISLAND, ILLINOIS

## Life Insurance PLUS

It made an amusing little story for the city-dwellers to read over their morning coffee—but it spelled tragedy for the doctor and his relatives. Judged hopelessly insane, the unfortunate doctor was sent to an institution. His family, as with most families of doctors, was left without income.

But that particular doctor had recognized the vulnerable position of a doctor's dependents. He had safeguarded his family against the possibility that some day he might become unable to pursue his profession. A Maccabees \$25,000 20 Pay Life certificate with *Income Disability* was his bulwark against misfortune. Today, and as long as the doctor continues to be totally disabled by his illness, his family receives \$250 each month and the rates will be waived.

That particular *Income Disability* feature is one which makes the job of Maccabees field men easier. They know that The Maccabees is one of the few insurance institutions in the United States and Canada which issues *Income Disability*—and that it stands almost alone in that it pays \$10 per month per thousand.



All names used are fictitious, but the case is an actual one taken from Maccabees files.

### THE MACCABEES

5057 Woodward Ave.

DETROIT

MICHIGAN

ing a war clause in all life policies issued to applicants in these classes:

Males, married or single, who are between insurable age 17 and the 45th birthday anniversary; members of military service, including reserves, active and inactive; any other cases where the war hazard is deemed sufficient to make a war clause desirable.

Disability and double indemnity usually will be granted according to present rules, but not in any case where the applicant is in military service, active or inactive. The present riders for these benefits contain a provision voiding the coverage if at any time the insured enters service in time of war.

Applications for reinstatement where the insured is apt to be called into military service may be subject to approval only with a war clause, President Williams stated, this being at the discretion of the underwriters.

The war clause excludes coverage for death in service from any cause outside the country during war and within six months after termination of service; also deaths in service within this country due to service, or war or any act incident thereto, if prior to or within six months after termination of service. It also has the two year foreign travel exclusion and aviation exclusion rider.

Equitable Reserve specifies death benefit in case of any of the excluded deaths shall be return of premiums paid, not less than reserve, increased by dividend and by reserve on any outstanding dividend additions, less indebtedness.

While many societies feel they should extend full coverage and possibly assess the additional cost against members, it is possible a large number will make assumption of the war risk a matter of individual risk underwriting, dependent on the facts disclosed in the application and on inspection.

There was a lengthy discussion of war risk at the San Francisco annual convention of the National Fraternal Congress, but no conclusions were reached. Some actuaries and society executives felt the fraternal should not invite adverse selection by offering terms more liberal than those which it was apparent commercial life companies would give. Others stated the war risk is a national problem, not to be imposed on a limited group of certificate holders subject to the risk. They felt this was an opportunity to show the flexibility of the open contract and assess the extra cost against all members.

### Locomotive Society Modernizes Insurance Setup

The Brotherhood of Locomotive Firemen & Enginemen of Cleveland has modernized its insurance setup. In the past in its so-called beneficiary department it has provided whole life insurance at a flat rate of \$1.10 per month per \$1,000 for all members regardless of age. This contract paid out in full on death, when the member became 70 years of age or upon loss of hands, foot or eye. There has also been a so-called mutual insurance department whereunder the premium increased with age.

Under the new setup there will be nine different contracts with premiums increasing with age. Cash surrender benefits are provided and extended insurance. Under the old plan insurance automatically terminated when premiums were in default. New plans include whole life and whole life non-medical; 15, 20 and 30-payment life, paid-up at 65, endowment at 65 and at 70, and five year renewable, convertible term.

Holders of present certificates may carry any policy in a reduced amount for the full face value less a certain reduction due to application of an equity. The Brotherhood at the close of 1940 had 53,202 members, its assets were \$24,500,507, new insurance was \$914,500 and insurance in force \$92,228,000. Its total premiums were \$1,338,550 and claims paid were \$1,777,221. Due to the fact that the society is not required to comply with the insurance laws it has not operated on rates derived from any standard mortality table.

## NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

### Industrial Rates, Policies Revised by John Hancock

A change in the industrial policies of John Hancock Mutual Life and new premium rates and insurance benefits under such policies became effective Jan. 1.

The adjustment in rates and benefits is principally caused by the adoption of the 1941 standard industrial mortality table based on recent mortality experience on industrial lives and a reduction in the interest rate used in connection with the calculation of industrial reserves and premiums to 3 percent. This reduction in the interest rate used in computation of reserves and premiums results in a higher premium charge, and provides generally higher non-forfeiture values per dollar of insurance amount.

The new policies will contain more liberal benefits for loss of sight or limbs, and there will be some liberalization of the provision for additional death benefit payable for death caused by certain bodily injuries.

With due consideration given to all of these factors, the resulting scale of insurance benefits under industrial policies will generally be lower than that now in effect, particularly at the younger ages.

### General American Puts Nonpar on 3%

General American Life has issued a new rate book, placing nonparticipating policies on a 3 percent reserve basis, with consequent increase in premium rates, and decreasing dividends and revising rates on participating insurance with life income at 55, 60 and 65 and the annual and single premium retirement income at 55, 60 and 65.

The gross interest rate on funds left with the company, on both par and nonpar contracts, now is 3 percent, it having been reduced from 3½ percent on nonpar. Guaranteed interest rate on dividend deposits is 2½ percent.

There is a revision in payments guaranteed under settlement options in new par and nonpar contracts. No change in dividends was made except on the two forms noted. On participating plans, the gross interest rate on funds left with the company under a dividend or settlement option is not affected by the changes. Illustrative new nonpar premium rates per \$1,000 on six forms at quinquennial ages are:

Age	Ord. Life	20 Yr. Pay	20 Yr. End.	20 P. Inc.	5 Yr. Term
20	\$14.63	\$24.12	\$44.46	\$17.62	\$34.11
25	16.56	28.29	44.61	20.53	36.09
30	19.05	28.98	45.07	24.52	38.58
35	22.04	32.04	45.81	29.96	41.44
40	26.37	36.06	47.44	37.96	45.10
45	32.20	41.42	49.85	49.85	49.76
50	39.72	47.96	53.52	68.29	55.16
55	49.49	56.16	59.28	104.77	25.89
60	63.32	67.39	68.24	....	37.61
65	82.73	84.96	....	....	....

\*Convertible non-renewable.  
†Paid up policy for \$1,000 and \$250 pure endowment at end of 20 years.

### Home Life Issues New Rate Book Showing Changes

Home Life of New York has distributed a new rate book which shows a number of changes. The only premium rate revision occurs on the preferred whole life, sold in \$5,000 minimum amount. The rates generally are lower at younger ages and increased at older

ages. This advance is compensated for by higher cash values and dividends, so there is scarcely any difference on a net cost basis, it is said.

There has been revision of settlement options, with a slight reduction in income payments. The limited payment policies, such as 10 year endowment and personal income forms for the first time show cash values at the end of the first year.

Illustrative rates on the preferred whole life \$5,000, are:

Age	Prem.	Age	Prem.	Age	Prem.
20	\$15.63	32	\$21.65	44	\$33.22
21	16.01	33	22.34	45	34.57
22	16.41	34	23.08	46	36.01
23	16.83	35	23.85	47	37.53
24	17.26	36	24.68	48	39.14
25	17.72	37	25.56	49	40.84
26	18.19	38	26.48	50	42.65
27	18.69	39	27.44	51	44.56
28	19.22	40	28.48	52	46.57
29	19.77	41	29.57	53	48.72
30	20.36	42	30.72	54	50.98
31	20.99	43	31.93	55	53.39

The cash, loan and non-forfeiture values up to the 20th year show changes, generally being reduced. The preferred whole life is on a new 3 percent mortality table, having larger cash and loan values. Single premium rates were increased and accidental death benefits revised.

Annuity options will provide a larger income if prior selection is made, instead of leaving selection to be made after the policyholder's death.

A new dividend scale was adopted. On the whole life at 85, illustrative new dividends are: Age 35, end first year \$3.06, fifth year \$3.13, 10th year \$3.59, 20th year \$4.65. On the preferred risk life illustrative dividends are: Age 35, first year \$2.34, fifth year \$2.65, 10th year \$3.32, 20th year \$4.58.

### Pan-American Makes Changes

In view of the low interest rates on high-grade investments, the Pan-American Life has made changes in its premium rates and policy values. Liberal increases have been made in the maturity values of the life income bonds as well as in other policies involving large reserves. Corresponding increases in non-forfeiture values of these types of contracts have also been effected.

One of the most important changes is the addition of a clause granting full policy proceeds in connection with the settlement of claims. This provision will eliminate from the payment of proceeds any deductions for installment premiums which may be due after the insured's death to complete payment for the current year.

No changes in rates are involved in term, life expectancy, joint life, joint 20 payment life, joint 20 year endowment and single premium annuities. The guaranteed rate of interest allowed on (CONTINUED ON LAST PAGE)

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THE BOURSE PHILADELPHIA



# Sales Ideas and Suggestions

## Timing Is Important in Soliciting Farm Business

By THOMAS E. BERRY  
Hillsboro, Ohio

As more than half of my policies, sold during the 17 years I have been in business, are on the lives of farmers and their families, I thought that a brief account of how I solicit farmers would be of help to other life underwriters, working in the country.

One of the first things to do is to plan your calls, so that you will have as little lost motion as possible, as a mechanical engineer would express it. I used to drive 15 or 20 miles to see a farmer, and sometimes he wouldn't be at home. I don't do that any more. I arrange my day so that there are at least 10 calls on my trip, and if someone is not at home, I don't need to drive very far for my next call. Sometimes when a farmer is not at home, your call isn't wasted, if you are fortunate enough to find the wife at home, and to sow some seed, to ripen for the next call. I always leave a circular describing the policy I have recommended, even if no one is at home, and if the wife is at home, I give it to her, and briefly explain how a modern life insurance policy will help the family in doing some of the things they are most anxious to do. I get her sold on the proposition and then on a later call, when her husband is pretty apt to turn to her and say, "Mary, what do you think of it?" she is "for it," and I have no trouble in filling out the application. If she isn't sold, you must sell her, and it is sometimes a hard job, that you might have avoided, by giving her something to think about when you had the chance to talk to her on your first call.

### Selects Prospects Carefully

I have found that it pays me to select my prospects with care and to call on only the best farmers in the community, who are making a success of their business. I like to call on the young farmers, too, who are just getting well started, and who have some dependent children in the grades. They have a great need for life insurance, and if the opportunity to talk to the parents is good, it is not hard to point out this need and to recommend the solution by "ordering one of our policies," that is made for just the purpose for which you are recommending it.

Of course it pays to call on the older successful farmers, too. I have done a lot of business with them and most of it has stayed on the books and leads in the family have developed from it.

How are you going to make your list of the most successful farmers? I have found that your county agent is glad to help you with such a list and that your banker can be of great help to you and is glad to give you a few names to get you started and from these calls it is not hard to learn who are the successful farmers in the community.

### Example of Approach

I go at it like this: "We are eager to get a lot of new customers in your community, among the very best people here. We 'hand pick' our customers, for we are a very particular company, and we like the very best risks, for after all, they are the best people for us to insure and the best to add to the large group of our satisfied policyholders. Won't you give me the names of some of your very best neighbors who are successful in farming?"

In most cases you'll get several names, and then if you will repeat the process when you call on them you will soon be

having plenty of good prospects; and when you write the business it will stay on the books, with very little attention.

Here is an illustration of how this plan has worked for me. I called on a banker at the county seat several years ago, and asked him if he would give me a few names of his very best customers out in the county who might be interested in buying some life insurance. He gave me two and told me about their families.

I called on the first one and found that he was far overweight, but interested in life insurance. He asked me how much a 10 year endowment would cost for his boy, who was married and had a sweet little baby. I gave him the rate and explained the policy in detail, and he liked it. "You call on my boy and tell him about it, and then give us some time to think about this," he said. I planned my trip so that I could call just after he had eaten his dinner and was resting, which is one of the very best times to call on farmers.

### Agrees to Call Back

He liked the policy and wanted to know what his wife thought about it. I tried to fill out the application, but they wanted more time, so I said: "All right. You think it over and I'll call back some evening and answer any questions you may want to ask."

I was in his community about noon during the next week and thought I'd call, instead of seeing him in the evening. I called just after he had eaten his dinner and about all I had to do was to answer a few questions about the company, and to fill out the application. That policy for \$2,000 stayed right on the books through the depression and a little over a year ago it matured and I paid it off. When I explained the settlement options, he decided to leave the proceeds with the company at interest.

About six months later another man in the community, who had bought a \$1,000 20 year endowment policy died, and I paid his widow a little over \$1,100 for all of the dividends had been left at interest. Soon after this my first policyholder bought her farm, drew out his \$2,000 as part payment, and smiled as he thanked me for getting him started saving money in his endowment. "That was hard money to save, especially when we had 3 cent hogs," he said, "but we held right to it, and it paid us well."

### Other Business Closed

A brother-in-law in the community, recommended by the man whom I called on first, whose name was given me by the banker, bought \$2,000 10 year endowment, and it has matured and was used as part payment on a farm. A tenant farmer, who is far above the average tenant farmer bought \$5,000 paid to his family monthly for 10 years, and a garage man in the community, recommended by this second \$2,000 endowment purchaser took out \$2,000 and it is on the books today. I have some more good leads in the community that I will write in a few months.

Picking the very best farmers has saved me time and worry caused by calling on people whom I knew little about, as I did in my first year in business. They were hard to write, the policies were for very small amounts, and they were very hard to service, as future premiums became due.

Don't be in a hurry to talk business on the first call. Take plenty of time to visit and to get acquainted. Ask ques-

tions about the business, and often the man will tell you how successful he has been and he will be in no position to give you a "hard luck" story later when you try to fill out the order. I could give you many illustrations of how visiting has helped me.

Visiting helps the prospect and his family to get sold on you, too, and he won't buy unless he is sold on you. You are highly complimented when a man lets you handle his life insurance business, for it is the most sacred investment that he makes.

### Best Time Is After Supper

After you visit awhile with a man and his family—preferably after supper, when the feeding is done and the dishes are washed—it is easy to get into the subject of life insurance by saying: "I have just been thinking that you have a nice little family, and if you live and keep your health, that you will do many things for them, but if you don't live, the good wife would have a hard time running this farm, paying the interest on the mortgage, and the taxes, building the fences, etc. Why don't you take out a modern life insurance policy for enough to pay off the mortgage if you don't live and a monthly income for awhile to help her to get adjusted?"

"How much would that cost?" is the question you will get almost every time, and then you can explain the policy and say, for example: "the annual deposit would be only \$98 the first year; or we could split it into two parts, and you could make the deposit twice a year, as many of our customers do."

Try hard to get the order then, but in most cases you won't, because they will want some time to think it over. You rarely ever sell a farmer on the first call. Before you leave, tell your prospect about many other prominent men in your county who have bought your life insurance, and how well they are pleased with it, and make a definite appointment to call back, not later than a week or 10 days. Briefly review the policy, tell what it will do, and you may need to give a few motivating pictures to get action at once. Get the check with the application and arrange for the examination just as soon as it is possible to do it. I sometimes take the doctor right to the home and have the examination made there during busy seasons.

When you deliver the policy, drive to the home and explain it to both the farmer and his wife so they will know that they are getting just what they bought.

Now pull out a very good policy wallet and say, "Here is a present for you. Open it and see what you have." They'll like this and it will put the cap sheaf on the transaction and please your new customer and his family.

Be sure to sow some seed for future sales by saying, "You have some fine children here. Do you have any savings plans for them? I'd like to call back sometime when I can find a little time, and tell you about our endowments for children. They will help them in saving regularly through the years and the habit of saving that they will form will be worth more than what they save."

When you get the names of the children and the date of their birth, ask for the names of relatives or friends or neighbors who would be helped "by buying the very policy you have bought in our good company." You'll get the names and permission to say that they have referred you to them, and you will be well started for more business.

Only 16 percent of the lowest income insured families interviewed in a test survey of 2,000 families had any other savings in banks, postoffice accounts or credit unions.

## Makes Numerous Agency Changes

(CONTINUED FROM PAGE 1)

of division 2 of the eastern department, has been made supervisor of the entire department. He will continue to have direct charge of the Albany, N. Y., branch, where his headquarters are located. He will have general supervision over seven branch offices: Binghamton, Buffalo, Rochester, Watertown, Poughkeepsie, Syracuse, and Toronto. Mr. Burke joined New York Life in 1916 as an agent in the Vermont branch office. In 1925 he went to Syracuse as an organizer. In 1928 he was appointed Albany agency director and a year ago became supervisor.

### Lyons Goes to Buffalo

L. F. Lyons, agency director at Binghamton, goes to the large Buffalo branch as director. He joined the company as an agent in Watertown, N. Y., in 1928, went to Albany in 1931 as an organizer, and in 1937 went back to Watertown as agency director. In 1940 he became agency director at Binghamton. V. S. Stanford, agency organizer at Cleveland, has been made agency director at Binghamton. He was appointed organizer in Cleveland in 1940 after having served as an agent there since 1933.

W. B. Smith, who has been one of the eastern supervisors and also agency director in Buffalo, goes to the home office in the agency department.

J. D. Hitchcock has been promoted to agency director at Syracuse. He was appointed organizer in the Albany branch in 1937, having been an agent there since 1932. In the central department, R. K. Wilson has been promoted to agency director of the Clearing-House branch in Chicago.

Frederick Bruchholz, whom he succeeds, will take a position in the educational department at the home office under Vice-president Lovelace. Mr. Bruchholz is a past president of the Chicago Association of Life Underwriters and has been prominent in C. L. U. activities.

In the midwest department E. G. Bewley, Jr., has been appointed director of the Springfield, Ill. branch. He started with New York Life as a clerk in St. Louis. In 1929 he became agency organizer in the Oklahoma branch office and in 1941 was transferred to Springfield as organizer.

J. Paul Monson has been advanced to agency director of the newly opened Wyoming branch, 18th street and Carey avenue, Cheyenne. He started with the company as an agent in the Intermountain branch in 1937. In 1941 he was appointed organizer there and less than a year later became director of the new branch, which will handle old and new business in the entire state of Wyoming.

H. K. Dougherty has been promoted to agency director of the British Columbia branch in Vancouver, in the North Pacific department, succeeding Walter Medica. He started as an agent with the New York Life in 1940 in the Seattle branch. The following year he was appointed organizer there and later the same year was transferred to Vancouver.

Life insurance agents make an estimated three million calls each day on policyholders, beneficiaries and future policyholders, the majority of these being today service calls to render the various services provided by the policies.

Life insurance benefit payments contributed 3.7 cents of the 1940 national income dollar. This compares with 1 cent in 1900.

## POLICIES

(CONTINUED FROM PAGE 22)

income settlement agreements remains unchanged.

The rate of discount on premiums paid in advance for not more than 10 years will be 2½ percent.

The income protection-65, an intermediate endowment plan which was introduced in September, 1940, now has an option which provides for a cash payment at maturity in addition to paid up life insurance.

Increases have also been made in the maturity values of retirement savings annuity and, likewise, the available cash values are higher than those allowed under the previous rate structure.

### Bankers, Ia., Brings Out New Policy

DES MOINES—The Bankers Life of Des Moines announced a new policy, the modified two whole life to be issued in streamlined form. The new policy form is experimental, and if found successful, eventually may be adopted for all policies issued.

The modified two whole life is one under which the premiums for the first two years are considerably less than those payable thereafter.

"Dividends on this policy are payable annually, beginning at the end of the second policy year," E. M. McConney,

vice-president and actuary, explained. "There is no first year dividend because of the low rate of premium for the first two policy years. Payment of the dividend at the end of the second policy year is contingent on payment of the third year's premium in full. It is anticipated the dividend payable at the end of the second policy year will be greater than the increase in premium for the third policy year."

#### Illustrations of Rates

Following is an example of how it works out (based on age 35 at issue, using 1942 dividend scale): First premium, \$21.26; second premium, \$21.26; third premium less dividend (\$26.91 less \$5.97), \$20.94.

The new policy form is expected to have a strong eye appeal to both salesmen and policyholders. It is made up of individual pages which are stapled and bound at the top. When folded for insertion in the policy jacket, the new policy is somewhat smaller than the orthodox policy form.

It has many practical advantages. It is possible to use larger and more legible type for policy provisions. Settlement instructions, riders and photograph of the application will form separate pages. It will no longer be necessary partially to cover portions of the policy provisions with riders attached to the pages.

#### Revises Interest in Options

Travelers, due to the interest situation, has adjusted interest rates allowed in certain settlement agreements. These are the optional income, limited income,

exhaustion and educational agreements, and continuous instalment features. The interest in these will be on 3 percent basis on all new policies.

#### Protective Increases Nonpar

Protective Life has increased its non-participating rates. No change was made in participating rates. Illustrations of the new nonpar rates on ordinary life endowment at 85 at quinquennial ages are: Age 25, \$17.27; 30, \$19.73; 35, \$22.96; 40, \$27.24; 45, \$33.06; 50, \$41.08; 55, \$52.20.

#### Church Life Annuity Change

Church Life has adopted a new and higher annuity rate scale, the new rates being on a 2½ percent reserve basis.

### W. B. Smith to N. Y. Life Home Office

BUFFALO—Warren B. Smith, supervisor of New York Life here and president of the New York State Association of Life Underwriters, is being transferred to the agency department at the home office and automatically surrenders his post as head of the state association.

Edward R. Gettings, general agent Northwestern Mutual, Albany, vice-president of the state association, will automatically become president of the association.

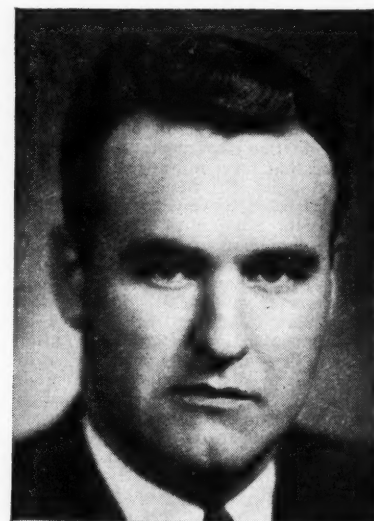
Mr. Smith came to Buffalo in 1928

as agency director of New York Life. The last seven years he has served as supervisor over the Buffalo, Rochester, Binghamton and Toronto branches. He is a past president of the Buffalo Life Underwriters and Buffalo Life Managers Associations and has been active in state association affairs for many years. He was elected president of the state association last May.

Mr. Smith was honored at a dinner tendered by the agency force of his company in Buffalo and also at a special luncheon meeting of the Buffalo Life Managers Association.

## NEW YORK

### E. J. Phelps of N. Y.



E. J. PHELPS

In the Dec. 19 edition in connection with the article reporting the election of E. J. Phelps as president of the Hoey & Ellison Life Agency, Inc., of New York, the picture that appeared was that of E. J. Phelps, it is true, but E. J. Phelps of Omaha, who is connected with Massachusetts Mutual Life there. The picture shown herewith is that of E. J. Phelps who is the new president of the Hoey & Ellison Life Agency, which is general agent of Equitable Life of Iowa.

#### POLICY LOANS DECREASE

Policy loans during the last few months and especially during December for almost all companies showed a decline largely due to the unsteady market situation and the thought in mind that life insurance after all was about the best and most stable investment or security a person could have. Policy loans go up when there is a sharp depression, people are pinched for money and search for ready cash. At the present time, with buying power increased, more people at work, and with the prospect of this condition continuing for some time, policy loans are down.

#### "EASTERN UNDERWRITER" MOVES

The "Eastern Underwriter" has moved into new offices at 41 Maiden Lane, New York City.

#### WOMEN TO HEAR TAX TALK

S. A. Monroe of the legal department of Equitable Society will speak on "Present Taxes in Relation to Life Insurance" Jan. 6 before the meeting of the League of Life Insurance Women at the Architectural League Club in New York.

"Use short intriguing questions to get the prospect's interest. Are your policies lapse proof? How much of your insurance is yours? What do you want your insurance to accomplish for you?"—L. E. Simon.

## Mutual Benefit's Net Cost Schedule for 1942 Given

The 1942 dividend schedule of the Mutual Benefit shows the reducing effect of continued low interest earnings and the favorable effect of continued low

mortality. As a result, there is a slight increase in the schedule for the early policy years in many cases and a reduction where the reserve element is high.

The effect of this new schedule on costs to the policyholder is shown in the pages below that have been prepared for the next edition of the Little Gem Chart.

### Mutual Benefit, N. J.

1942 NET COST—NET PAYMENTS  
Based on Actual Jan. 1 Dividend Scale

Ages	27	28	29	30	31	32	33	34	35
Premium	21.15	21.69	22.26	22.85	23.48	24.14	24.84	25.58	26.35
1	16.69	17.21	17.74	18.31	18.91	19.54	20.20	20.90	21.64
2	16.64	17.16	17.69	18.25	18.84	19.47	20.13	20.83	21.57
3	16.58	17.09	17.62	18.18	18.76	19.40	20.07	20.76	21.49
4	16.51	17.02	17.56	18.12	18.71	19.34	20.00	20.70	21.42
5	16.46	16.96	17.50	18.05	18.65	19.27	19.93	20.61	21.35
6	16.39	16.90	17.43	17.99	18.59	19.23	19.90	20.58	21.32
7	16.33	16.84	17.37	17.93	18.52	19.13	19.79	20.48	21.21
8	16.28	16.78	17.31	17.87	18.45	19.07	19.71	20.41	21.13
9	16.21	16.72	17.24	17.80	18.39	18.99	19.65	20.34	21.07
10	16.16	16.65	17.18	17.73	18.32	18.94	19.58	20.25	20.99
11	16.10	16.59	17.12	17.67	18.25	18.87	19.52	20.21	20.93
12	16.03	16.53	17.05	17.61	18.19	18.81	19.45	20.14	20.85
13	15.98	16.47	17.00	17.55	18.13	18.74	19.39	20.07	20.78
14	15.91	16.42	16.93	17.48	18.07	18.68	19.32	20.00	20.71
15	15.86	16.35	16.88	17.43	18.00	18.61	19.25	19.92	20.63
16	15.80	16.30	16.81	17.36	17.94	18.54	19.18	19.85	20.56
17	15.74	16.23	16.75	17.30	17.87	18.48	19.10	19.77	20.48
18	15.68	16.18	16.69	17.23	17.80	18.40	19.03	19.70	20.40
19	15.62	16.11	16.63	17.17	17.73	18.33	18.96	19.62	20.32
20	15.56	16.06	16.56	17.10	17.67	18.26	18.89	19.55	20.24

#### 10 Year Summary

10 Yrs. Prem.	211.50	216.90	222.60	228.50	234.80	241.40	248.40	255.80	263.50
10 Yrs. Div'ds.	47.25	47.97	48.72	49.54	50.44	51.40	52.44	53.54	54.70
10 Yrs. NET.	164.25	168.93	173.88	178.96	184.36	189.96	195.96	202.26	208.80
Av. Net Payt.	16.43	16.93	17.46	18.02	18.62	19.24	19.89	20.59	21.32

#### 20 Year Summary

20 Yrs. Prem.	423.00	433.80	445.20	457.00	469.60	482.80	496.80	511.60	527.00
20 Yrs. Div'ds.	100.47	101.26	102.15	103.17	104.32	105.59	106.91	108.28	109.70
20 Yrs. NET.	322.53	332.54	343.05	353.83	365.28	377.21	389.71	402.88	416.70
Av. Net Payt.	16.13	16.63	17.15	17.71	18.28	18.89	19.50	20.12	20.75

#### 30 Year Summary

30 Yrs. Prem.	634.50	648.60	663.30	678.60	694.50	711.00	728.10	745.80	764.10
30 Yrs. Div'ds.	145.83	146.83	147.93	149.13	150.43	151.83	153.33	154.93	156.63
30 Yrs. NET.	488.67	501.77	515.37	529.47	544.07	559.17	574.77	590.87	607.47
Av. Net Payt.	16.45	16.95	17.48	18.04	18.62	19.22	19.84	20.48	21.14

#### 40 Year Summary

40 Yrs. Prem.	846.00	863.40	881.40	899.90	918.90	938.40	958.40	978.90	999.90
40 Yrs. Div'ds.	191.73	192.93	194.13	195.43	196.83	198.33	199.93	201.63	203.43
40 Yrs. NET.	654.27	670.47	687.27	704.47	722.07	740.07	758.47	777.27	796.47
Av. Net Payt.	16.36	16.86	17.39	17.95	18.52	19.10	19.70	20.32	20.96

#### 50 Year Summary

50 Yrs. Prem.	1058.50	1078.60	1099.10	1119.90	1141.00	1162.40	1184.10	1206.10	1228.40
50 Yrs. Div'ds.	237.23	238.63	240.03	241.53	243.13	244.83	246.63	248.53	250.53
50 Yrs. NET.	821.27	840.00	859.10	878.37	897.87	917.57	937.47	957.57	977.87
Av. Net Payt.	16.37	16.87	17.38	17.94	18.51	19.09	19.69	20.31	20.94

#### 60 Year Summary

60 Yrs. Prem.	1271.00	1293.60	1316.60	1340.00	1363.80	1388.00	1412.60	1437.60	1463.00
60 Yrs. Div'ds.	288.03	289.63	291.23	292.93	294.73	296.63	298.63	300.73	302.93
60 Yrs. NET.	982.97	1003.97	1025.37	1047.07	1068.07	1089.37	1110.97	1132.87	1155.07
Av. Net Payt.	16.38	16.88	17.39	17.95	18.52	19.10	19.69	20.31	20.94

#### 70 Year Summary

70 Yrs. Prem.	1483.50	1508.60	1534.10	1560.00	1586.30	1613.00	1640.10	1667.60	1695.50
70 Yrs. Div'ds.	339.03	340.83	342.63	344.53	346.53	348.63	350.83	353.13	355.53
70 Yrs. NET.	1144.47	1167.77	1191.47	1215.47	1239.77	1264.37	1289.27	1314.47	1339.97
Av. Net Payt.	16.39	16.89	17.40	17.96	18.53	19.11	19.70	20.32	20.95

#### 80 Year Summary

80 Yrs. Prem.	1696.00	1723.60	1751.60	1780.00	1808.80	1838.00	1867.60	1897.60	1928.00
80 Yrs. Div'ds.	380.03	381.93	383.83	385.83	387.93	390.13	392.43	394.83	397.33
80 Yrs. NET.	1315.97	1341.67	1367.77	1394.17	1420.87	1447.87	1475.17	1502.77	1530.67
Av. Net Payt.	16.40	16.90	17.41	17.97	18.54	19.12	19.71	20.33	20.96

#### 90 Year Summary

90 Yrs. Prem.	1908.50	1938.60	1969.10	2000.00	2031.30	2063.00	2095.10	2127.60	2160.50
90 Yrs. Div'ds.	421.03	423.03	425.03	427.13	429.33	431.63	434.13	436.73	439.43
90 Yrs. NET.	1487.47	1515.57	1544.07	1572.87	1601.97	1631.37	1661.07	1691.07	1721.07
Av. Net Payt.	16.41	16.91	17.42	17.98	18.55	19.13	19.72	20.34	20.97

### Mutual Benefit, N. J.

1942 NET COST—NET PAYMENTS  
Based on Actual Jan. 1 Dividend Scale

Based on Actual Jan. 1 Dividend Scale										
Ages	45	46	47	48	49	50	51	52	53	54
Premium	37.08	38.55	40.12	41.78	43.56	45.45	47.55	49.83	52.33	55.05
1	31.91	33.32	34.82	36.42	38.11	39.91	41.86	43.96	46.21	48.61
2	31.81	33.22	34.72	36.32	38.01	39.90	41.90	44.06	46.37	48.84
3	31.71	33.12	34.60	36.18	37.87	39.67	41.61	43.80	46.14	48.62
4	31.61	33.01	34.49	36.07	37.75	39.54	41.53	43.71	46.06	48.54
5	31.51	32.90	34.38	35.95	37.63	39.40	41.50	43.81	46.14	48.54
6	31.41	32.80	34.28	35.85	37.53	39.37	41.46	43.76	46.06	48.44
7	31.30	32.69	34.15	35.71	37.37	39.13	40.77	42.55	44.35	46.19
8	31.20	32.58	34.04	35.58	37.23	38.98	40.55	42.30	44.06	45.84
9	31.09	32.46	33.90	35.44	37.09	38.84	40.31	42.03	43.74	45.44
10	30.98	32.34	33.78	35.31	36.95	38.68	40.06	41.76	43.44	45.14
11	30.87	32.22	33.65	35.14	36.78	38.51	40.00	41.68	43.34	44.94
12	30.74	32.09	33.51	35.03	36.66	38.37	39.83	41.51	43.18	44.74
13	30.62	31.96	33.38	34.90	36.50	38.18	39.64	41.42	42.99	44.54
14	30.50	31.83	33.25	34.74	36.32	37.99	39.44	41.29	42.81	44.34
15	30.37	31.70	33.10	34.57	36.13	37.77	39.24	41.17	42.68	44.14
16	30.24	31.55	32.97	34.42	35.92	37.56	39.04	41.04	42.54	43.94
17	30.10	31.39	32.75	34.19	35.71	37.33	38.81	40.91	42.40	43.74
18	29.94	31.22	32.56	33.98	35.49	37.08	38.61	40.79	42.26	43.54
19	29.77	31.03	32.35	33.78	35.25	36.83	38.42	40.60	42.03	43.34





M. Albert Linton (left), president Provident Mutual Life and retiring chairman of Institute of Life Insurance, and Gerard S. Nollen, president Bankers Life of Iowa, the new chairman, at the annual meeting in New York.



At annual meeting of Institute of Life Insurance in New York City: C. S. V. Branch, vice-president Sun Life of Canada (left); and Ray D. Murphy, vice-president Equitable Society.



**DIGNITARIES AT INSURANCE COMMISSIONERS MEETING IN NEW YORK:**

Superintendent Pink of New York, Hobbs of Kansas, president of the association; Alfred P. Sloan, chairman General Motors Corporation, convention speaker; Commissioner Williams of Mississippi, and A. N. Butler, vice-president Corroon & Reynolds, chairman of arrangements committee.



Ferre Watkins, liquidation division attorney, and Director Jones of the Illinois insurance department confer at the National Association of Insurance Commissioners meeting in New York City.



**AT INSURANCE COMMISSIONERS CONVENTION:**

Alfred MacArthur, president of Central Life of Illinois, presenting shillelagh to Commissioner Holmes of Montana, sergeant-at-arms. Commissioner Taggart of Pennsylvania, Superintendent MacLachy of New Brunswick, who is new president of Canadian superintendents association; and La France of Quebec, and J. G. Godsoe, assistant general manager of Confederation Life.

A FLOOD OF MONEY TO BACK UP OUR VALIANT FIGHTING MEN!

# **... After January 1, 1942, renewal premiums will be used to buy United States Government Bonds! . . . . .**

At a special meeting, the Directors of the Manhattan Life Insurance Company unanimously passed a resolution whereby

The Management was instructed to purchase United States Government Bonds in an amount equal to the renewal premiums received by the Company, starting January 1, 1942, until further order of the Board.

I am confident that every holder of a Manhattan Life Policy will heartily endorse the action of the Board of Directors.

Within a short time, there will be mailed to our policyholders a "Victory Policy" Emblem. When attached to the policy jacket, this emblem indicates that the policy is doing its bit to help America win the war.

On behalf of our Directors, our employees, and our policyholders, I salute a fighting America and her gallant Allies!



J. P. FORDYCE, PRESIDENT



**REMEMBER PEARL HARBOR!**